

Mrs Thatcher stands firm on steel strike

The Government is still refusing to be drawn into negotiations for settling the steel strike although Mrs Margaret Thatcher and ministers yesterday had talks with executives of the BSC and leaders of the two main steel unions.

Cabinet refuses to divert funds

By Paul Routledge
Labour Editor

The Government last night put responsibility for ending the steel strike firmly back in the hands of union leaders and the National Union of Steelworkers through the brokerage of the Advisory, Conciliation and Arbitration Service.

Acas officials were in touch with both sides after cordial but unproductive talks between leaders of the two main steel unions and Mrs Margaret Thatcher, flanked by her employment and industry ministers, in Downing Street yesterday.

It was made plain to the Iron and Steel Trades Confederation and the National Union of Steelworkers that the Cabinet would not make any extra money available to the industry, or sanction any change of use in the £450m public funding for 1980-81 so that it could be used to finance a wage settlement.

After a further session of talks between the Prime Minister and top executives of British Steel, Mr James Prior, Secretary of State for Employment, said the meetings had been useful in showing the limits within which the industry had to work.

"I do not think any of us ought to expect dramatic moves in the next day or two," he added. "There must be a period of quiet consideration and discussion between Acas and the other parties."

But while the conciliation service is likely to reopen its peace initiative, it is not the keynote of the government's deliberations over the next few days. The umbrella Trade Union Co-ordinating Committee, which brings together all the striking steel unions, meets this morning to consider the rebuff it has received at the hands of ministers and Acas alike over pay and plant closures.

Tomorrow the TUC General Council will be recommended

Iran says Russians are 'serious danger'

Tehran, Jan 21.—Mr Sadeq Oghazadeh, the Iranian Foreign Minister, said last night that Soviet troops in Afghanistan were 30 kilometres (18 miles) from the Iranian frontier and posing a serious danger to Iran's south-eastern province of Sistan and Baluchistan.

He said after a regular meeting of the ruling Revolutionary Council: "We cannot accept this danger." Iran could not remain silent in the face of a threat to its frontier region.

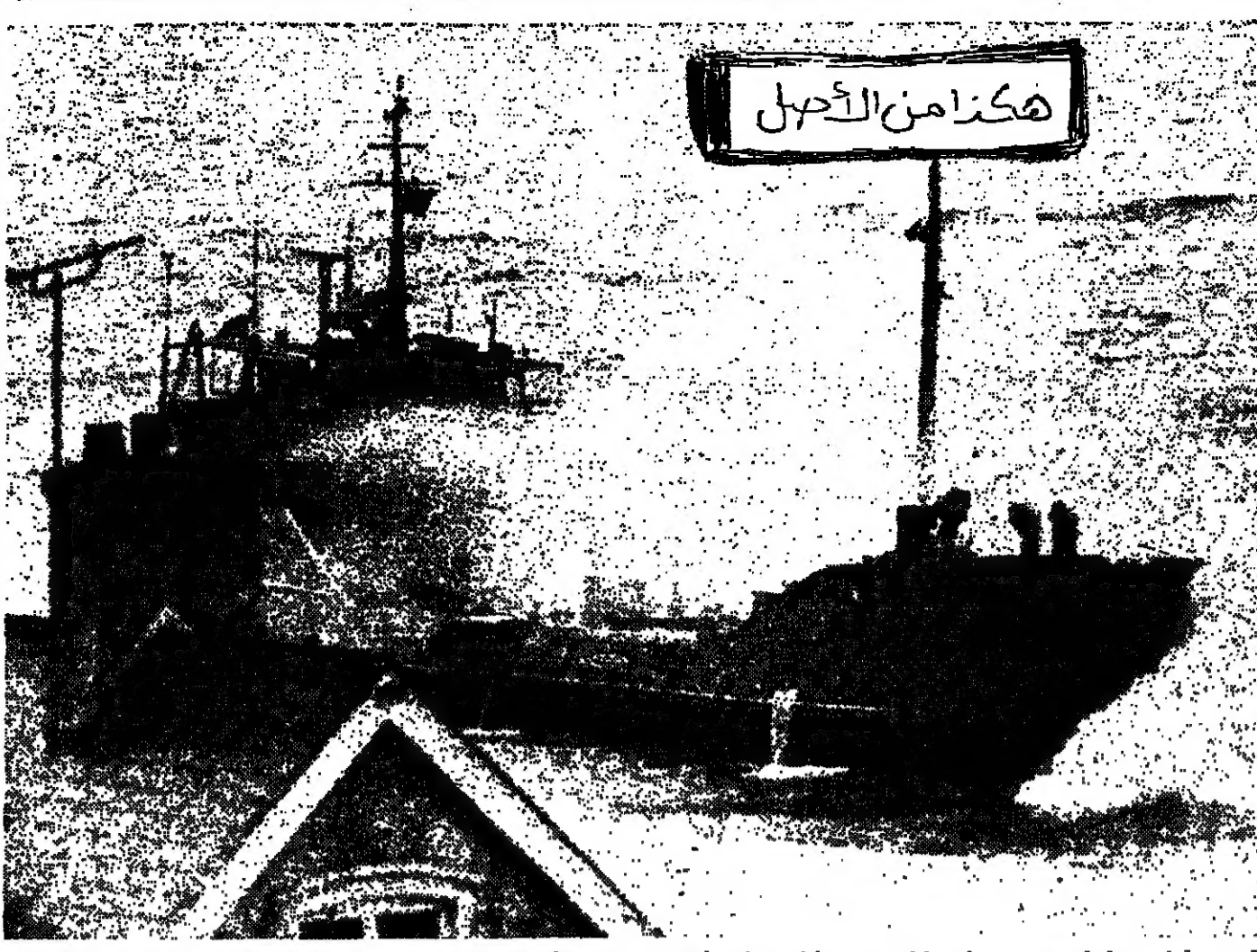
Mr Oghazadeh said he was concerned that the Soviet Union might one day invoke its treaty of 1921 with Iran, whereby Moscow has the right to intervene militarily if Iran is to be used as a base of military operations against it. Last November, the provisional Government of Iran revoked the treaty, but Mr Oghazadeh said the Soviet Union had not followed suit.

However, the Foreign Minister rejected a recent American offer to make common cause against the Soviet threat from Afghanistan.

Mr Abolhassan Banisadr, the Economy and Finance Minister, said last night that the Iranian Government urgently needs guarantees of no further military intervention by Moscow in other countries after Afghanistan. Mr Banisadr, earlier said that Iran could not take part in the Moscow Olympic Games because the Russians were "killing our Muslim brothers" in neighbouring Afghanistan, called for an "alliance of nations threatened by the superpowers".

Base ruled out: Oman will not let the United States, Britain or any other foreign power establish a base on its territory, Mr Qasbi al-Zawawi, the Omani Foreign Minister said today in Riyadh.

He said after a brief visit to Saudi Arabia that the states of the Gulf region had the chance to agree over safeguarding their security against intervention by any state, "great or small". His talks with Prince Saud al-Faisal, Saudi foreign minister, centred on the Soviet intervention in Afghanistan, and the coordination of positions at the Islamic conference to open in Pakistan on Saturday.—Reuter and Agence France-Press.



Tanker beached: A 300-ton tanker carrying liquid petroleum gas, with waves lashing over it, is beached by storms near Larne, Northern Ireland's main ferry port, yesterday. Police closed the coast road and evacuated cottages nearby.

A fire officer was put on board the Danish tanker, the Regitze Tholstrup, by helicopter to check the cargo for leakage and possible risk of explosion as huge waves drove the vessel farther on to the beach.

The beaching came after a night of

severe weather. Snow and rain, with gale-force winds swept many parts of Britain.

In Northern Ireland a man died when a tree fell on his car as he drove to work on the Ballyligg Road, Maghera, Co Antrim.

A Liverpool motorist was killed in the west of Scotland, where winds were gusting at between 60 and 70 mph and snow falling heavily.

A Spanish trawler, the Isla de Gruzula, reported she was sinking in 70 mph winds 200 miles south-west of the Scilly Isles. An RAF Nimrod found

the ship after a search last night, and reported the trawler had managed to restart her engines.

The man, whom police believe to be Alan Gregson, aged 41, of Acregate Court, Grange Lane, Liverpool, was driving north between Carlisle and Glasgow on the A74.

The heaviest snowfall of the winter blocked roads on the Yorkshire Wolds and North York moors. A wagon carrying more than 100 pigs was stranded in 4ft drifts between Birdsall and Leavening near Malton.

Forecast, page 2

Peace rally mother found dead in Ulster

From Christopher Thomas
Belfast

Mrs Anna Maguire, aged 44, whose personal tragedy with the death of three of her four children led to spontaneous demonstrations for peace in Ulster, and the formation of the Peace Movement in 1976, was found dead at her home in Stockmans Lane, Belfast, yesterday. A carving knife was found beside the body, and police said foul play was not suspected.

In August, 1976, her children, Joanna, Andrew and John, died when they were hit by a car driven by a man shot and injured while being chased by security forces. The driver died and Mrs Maguire was seriously injured.

A spontaneous and emotional rally was held four days later on the site of the accident, in Finaghy Road North, while Mrs Maguire was recovering in hospital. The Peace Movement, led by Mrs Maguire's sister, Miss Mairead Corrigan and Mrs Betty Williams, sprang from the rally.

Marches were held in the autumn and winter of 1976 in the Catholic Falls and Protestant Shankill areas as well as in Londonderry and towns throughout Ulster and the rest of Britain.

In 1977 the Maguires, with their surviving child, Mark, then aged seven, emigrated to Auckland, New Zealand. Mr Jackie Maguire said at the time: "I think people have seen the folly of violence. What has happened to my family can happen to a lot of families."

But the family could not settle down in New Zealand and seven months later, in January, 1978, they returned to Belfast.

Mr Maguire was traced by police at his work yesterday and told of his wife's death. The alarm had been raised at 4.10 pm by a neighbour, Mark, and their other child, Joanne, who was named after one of the dead children, were understood to have been in the house at the time.

Gold price slips with US profit-taking

Gold continued to climb on the bullion markets in London yesterday when its price was fixed at a record \$850 an ounce but profit-taking in New York made the price slip back to \$825, to close \$10 down on Friday's closing price. Dealers reported less hectic activity in the metal but in Chicago the futures market touched \$1,000 an ounce for the first time. The price remained buoyant on continuing political uncertainty in East-West relations. But in New York further speculation was added to the already volatile market when a weekend report in the New York Times suggested that the Russians had found a commercially sound method of converting lead into gold. Although the technology exists to make the conversion possible, United States scientists are sceptical that it can be done commercially. Page 17



2,000 leave homes after chemical factory fire

Two thousand people were evacuated from their homes last night when fire swept through a chemical factory in River Road, Barking, east London, after three explosions. The fire service said no one was injured.

Police evacuated a housing estate near the factory as 60 firemen fought the blaze.

Scotland Yard said that the fire service requested the evacuation because of the possibility of a chlorine gas leak.

London Fire Brigade said: "We have evacuated 2,000 people from houses adjacent to the factory and most of them have been taken to a school nearby."

"The houses are only tens of yards away from the factory and it was a move we had to make."

"We do not know what gases might be escaping from the building but with a chemical plant you cannot take any chances."

Scientific advisers from the Greater London Council were standing by.

A woman living nearby, Mrs Winifred Low, aged 69, of King Edward's Road, Barking, said her house was shaken by an enormous explosion.

Optimism over Tito condition

From Dossa Trevisan
Belgrade, Jan 21

President Tito's general condition was said to be good today after the amputation of his left leg yesterday.

This brought a measure of optimism but the President, who is 87, is not out of danger yet as the period regarded as critical is said to cover the next four days. For a man of President Tito's age, the uncertainty may last another three to four weeks.

His stamina and remarkable power of recovery gave rise to cautious optimism that he would withstand the shock of amputation.

The question that is being asked, therefore, is whether President Tito will be able to resume an active life. In recent years he has shown no signs of slackening pace and has travelled widely in the country, almost continuously. This must obviously stop.

If he recovers he might exert his influence and let the institutions provided for his succession get on with the job of governing Yugoslavia.

This would test the efficiency of a complicated system in his lifetime, when the presence of his personality would continue to provide the kind of powerful influence that he has exerted over 35 years.

The succession, arranged on the basis of an annual rotation of both the state and party presidencies, is meant to create a leadership of equals. Nevertheless, some officials wield greater personal authority of their own. Dr Vladimir Bakarić, the Croatian leader, who is one of the four officials, with a seat in both the state and party presidencies, is certainly one of them.

Soviet and American views, page 8

How vulnerable is Yugoslavia? page 19

Arming Pakistan gets top priority in US

From David Cross
Washington, Jan 21

President Carter announced today that in this election year he will be limiting major new domestic and foreign policy programmes to "critical few" including initiatives to respond to the Soviet invasion of Afghanistan.

In a 75-page message to Congress outlining his past legislative accomplishments and his priorities for the coming months, the President said his first order of business will be the enactment of a military and economic aid package for Pakistan to bolster its security.

On the domestic front, he said he wanted Congress to concentrate on approving pending energy legislation; a new youth employment programme; measures to improve nuclear waste management and to reorganize the Nuclear Regulatory Commission in the wake of the accident at the Three Mile Island nuclear power plant last spring; and new revenue sharing plans for cities and states.

Mr Carter's message ruled out an immediate tax-cut for individuals and business, while inflation continued and while there was no sign of a deep recession. The Administration's top priority remained a reduction in the budget deficit, although it would consider tax cuts at a later date if the economic situation deteriorated sharply.

Mr Carter sent his message to Capitol Hill earlier than normal this year, so that he can concentrate on his foreign policy goals when he speaks to a joint session of Congress in his State of the Union address on Wednesday evening. In past years, the written message had traditionally been published at the same time as the address.

Two-thirds of the message deals with domestic policy and one third with various aspects of foreign policy. A senior White House official explained that the foreign policy section was designed to provide the background context for the State of the Union address.

In a section on South Asia, Mr Carter says that the "overwhelming challenge" in this

Air crash kills 124

Lahgarak, Iran, Jan 21.—An Iranian Boeing 727 crashed tonight near this mountain village and all 124 people on board were killed, revolutionary guards said.

The airliner, on a domestic flight from Mashad, went down in the fog-shrouded Elborz mountains, north-east of Teheran. The passengers were reported to include pilgrims.—Reuter.

Cairo 'delays air link to Israel'

A Tel Aviv newspaper has reported that General Taha Magdoub, the official in charge of normalization at the Egyptian Foreign Ministry, has said that the national airline, Egyptair, would not open an office in Israel nor begin flights to Tel Aviv next week as previously arranged. Page 8

New grade for Civil Service

Under a recruitment scheme prepared by the Civil Service Department, a new grade will be created and young officials who have demonstrated their capacity while serving in the middle ranks of the service will be given a greater chance of obtaining top Whitehall jobs. Page 4

Crucial primary vote in Iowa

The people of Iowa were voting last night for the men they want the Democratic and Republican Parties to adopt as presidential candidates. In this important first primary the Iowans were hoping to hold the line against further price increases and to keep the respect of the world for the United States. Page 8

£300,000 gift 'a valid trust'

A gift of £300,000 to the library of the Taylor Institution at Oxford University by the late Dr Theodore Esterman was a valid charitable trust, Mr Justice Slade ruled in the High Court. Page 5

Rome Parliament 'out of control'

Both the Christian Democrats and the Communists have issued warnings that the institutional failure of the Italian Parliament is striking at the heart of the country's democracy and that Parliament is becoming uncontrollable. Page 7

Britain 'alone in Europe' over Olympics stand

By Michael Hatfield

Britain stood alone in Europe in its attempts to get concerted action against the Moscow Olympic Games, Mr Nikolai Lunov, the Russian Ambassador in Britain, said last night.

Mr Lunov, who was speaking after meeting the Labour backbenchers in the Commons, also said that the deadline for the removal of Soviet forces set by President Carter was "ridiculous".

During the meeting Mr Lunov was asked if Soviet forces would be sent to Yugoslavia if there was unrest and they were invited. He replied that the West was always trying to bury President Tito and that there was a strong friendship between Russia and Yugoslavia.

Mr Lunov was pressed hard by backbenchers about the inclusion of Afghanistan, including one or two left wingers not known for regular criticism of Soviet foreign policy, who said the invasion could severely damage détente.

The Soviet Ambassador reiterated that the troops had been invited into Afghanistan.

Polis support Mr Carter, page 7

Thais to release British nurse jailed over drugs

Miss Rita Nightingale, the British nurse who was jailed by a Bangkok court for drug smuggling, is to be released this week after serving three years of her 20-year sentence.

The decision to free Miss Nightingale, aged 25, was announced yesterday by the Thai Embassy in London.

The release comes after an appeal for clemency which she made to the King of Thailand late last year. Miss Nightingale always maintained that she was innocent.

A spokesman for the Thai Embassy said: "A decision has been made and she has received clemency from the King."

The decision was welcomed by Mrs Barbara Castle, former MP for Miss Nightingale's home town of Blackburn, and now an MP in the European Parliament. She had helped to lead a massive campaign in Blackburn to free Miss Nightingale.

Mrs Castle paid tribute to the Thai Government for its handling of the case, and to Dr David Owen, the former Foreign Secretary, who had sent a Government petition asking the Thais to show mercy.

She added: "I am convinced

Leader, page 15

Letters: On an Olympic boycott, from Mr Christopher Chataway and the Rev Nicholas Stacey; and others; on Mr Guy Liddell, from Sir John Balfour and others; on the Rhodesian election, from the Bishop of Mashonaland.

Leading articles: Trade unions poll; Japanese spy case.

Arts, page 10

John Russell Taylor on the richness of Drawings from Polish Collections and other new exhibitions in London.

Obituary, page 16

Professor Henry Black, Mr E. K. Martin.

Features, pages 9, 14

Lord O'Hagan on the European parliament; Bernard Levin on the

Labour Party inquiry: men's fashion by Prudence Glynn.

Sport, pages 11, 12

Rugby: Union: England restore Colclough against France; Football: Norman Fox previews League Cup semi-finals; Cricket: The problems of Geoffrey Boycott; Tennis: Rex Bellamy in Philadelphia for the United States professional indoor championships.

Business, News, pages 17-22

Stock markets: Shares went ahead at first on hope of steel peace and a good Budget for investors but they boiled over in late trading. The FT index fell 2.1 to 457.7. Gilt scored good gains, especially in long.

Business: Features: Hugh Stephenson on differences of opinion about monetary control.

Scientists hope to create live mammoth

From Michael Binyon
Moscow, Jan 21

A living mammoth, identical to those that roamed the world thousands of years ago, may be recreated from the single cell of a frozen carcass found recently in Siberia, if Soviet experiments are successful.

A member of the Soviet Academy of Sciences recently told a newspaper that living cells from the almost perfectly preserved body of a mammoth that died 10,000 years ago could theoretically be reproduced in a laboratory and cultured to produce a living creature.

Dr V. Mikhelson, a research scientist at the Institute of Cytology, said the process had already been successfully tested with frogs.

Two years ago a baby mammoth nicknamed Dima—since displayed at an exhibition in London last year—was found in a frozen marsh in Siberia, and Soviet scientists discovered cells that were in almost perfect condition in its kidney and liver.

Dr Mikhelson said: "As soon as we get a living cell out of any part of the mammoth body we shall fuse it together in a test tube with the sex cell of a female Indian elephant whose nucleus will first be irradiated by X-rays."

"The cell will then be implanted in the organism of the female elephant. And under favourable conditions after 18 to 20 months, the normal pregnancy period, the world's first 'artificial' mammoth will be born."

Dr Mikhelson said that further investigations jointly with American scientists at Wayne State University in Michigan had found well preserved blood cells in Dima's body.

By the time Dr Mikhelson arrived in Magadan, in the Soviet Far East, most of Dima's organs had already been put in formalin. But he was lucky to get hold of some still-frozen tissue which was taken to Leningrad and preserved in a laboratory.

The first attempts to culture living cells from this tissue failed, but the scientists then tried the tissues from another mammoth found in 1978.

At one point it seemed as though a culture had begun to grow in the test tube. But, Dr Mikhelson said, a mistake was made and the experiment ruined.

He has now begun with a third female mammoth found at a different location. Henceforth every group of scientists investigating newly-discovered mammoths in the permafrost will include a cytologist. "We have to get the tissues before they are unfrozen," he explained. "Sooner or later we shall succeed."

A fellow academician told the newspaper *Trud* that the principles of biology, genetics and cytology (study of cells) did not rule out the possibility of such experiments. The problem was to get laboratory conditions right for the culture of the cells.

Cloning, the reproduction of cells from a single living cell, has long been known to scientists in the West.

But western experts in Moscow said experiments in this field had to far been limited to simpler organisms such as bacteria and unicellular structures, and it was doubtful whether such an ambitious project as recreating an extinct mammoth was yet possible.

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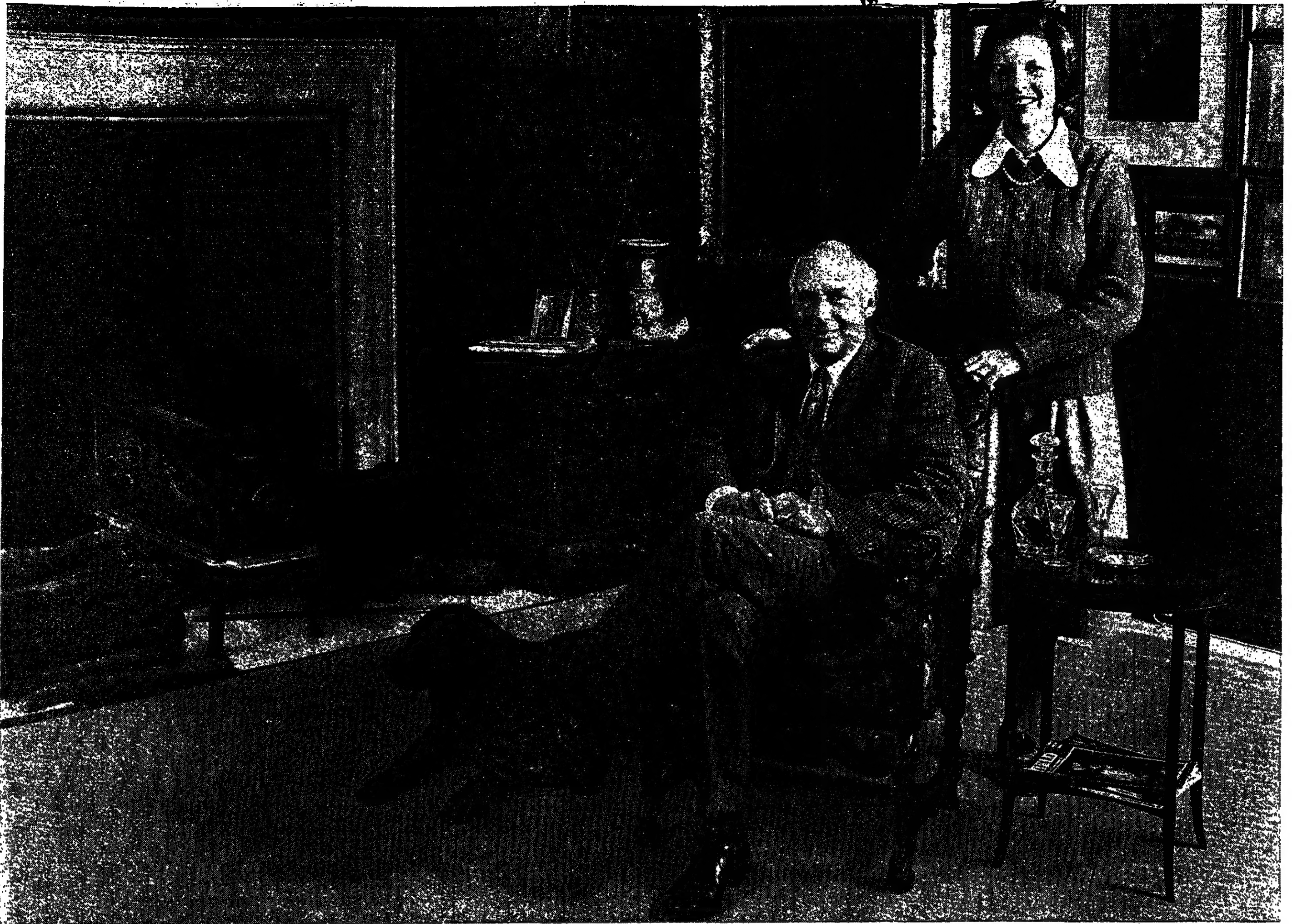
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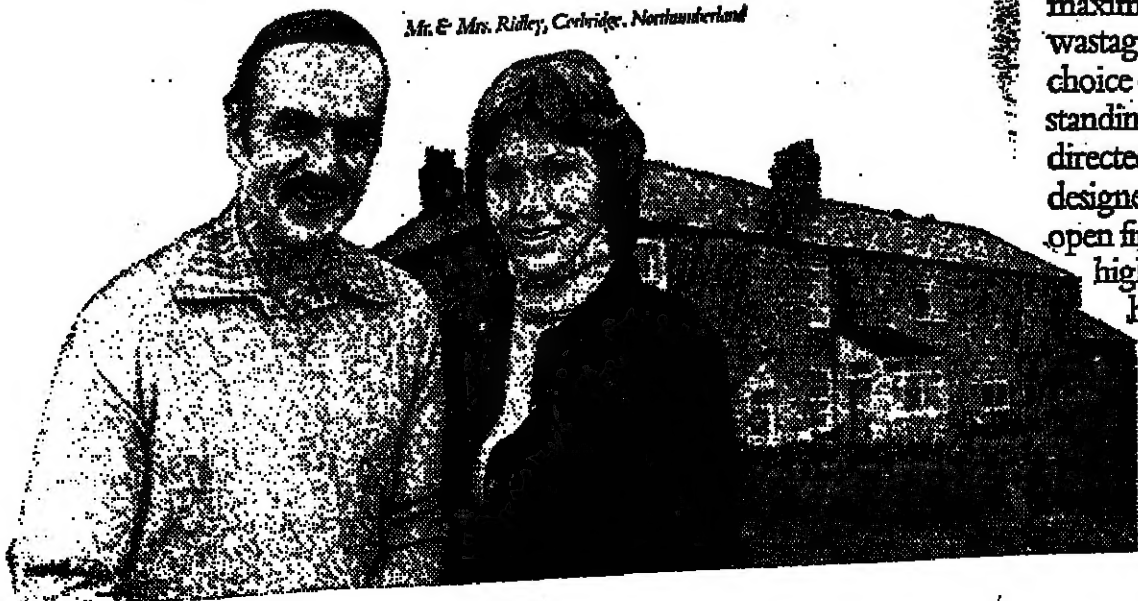
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Charles and Judy Clive-Ponsonby-Fane, for example, installed a Jøtul 118 in their large kitchen during the winter of 1977. They now have a stove in their sitting room and another in the Estate Office. Mr. Clive-Ponsonby-Fane pointed out that Brympton d'Evercy had been heated by an old boiler of Titanic proportions that annually consumed more than £1,500 of fuel. Likewise he says “Our open fires were useless. The heat went up the chimney and the smoke came into the rooms! Were it not for the economy and efficiency of the Jøtul woodstove normal life in our family home would no longer be possible”.

Mr. & Mrs. Ridley, Corbridge, Northumberland



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HOME NEWS

Middle rankers in Civil Service to be given better chance of getting top Whitehall posts

By Peter Hennessy

Promising young officials from the middle ranks of the Civil Service are to be given a greater chance of obtaining top Whitehall jobs under a new recruitment scheme prepared by the Civil Service Department.

"High-fliers" will continue to be recruited directly from university, polytechnic graduates, but an equal number will be found from executive officers already in the Civil Service.

A new grade of Higher Executive Officer Development (HEOD) will be created to merge the two streams of recruits. After two or three years in "testing" jobs, HEODs will be eligible for promotion to principal, the gateway grade for the higher Civil Service.

The plan represents a compromise between the egalitarian demands of the middle management union, the Society of Civil and Public Servants, which has demanded that all university recruits should begin their careers as executive officers, and Whitehall's principal establishment officers, who are determined to sustain a flow of the finest university-trained minds into the Civil Service and believed that an entry restricted to the executive officer grade would deter such people.

In 1977-78, the last uninterrupted year of recruitment, 186 candidates were admitted as administration trainees (ATs), the present entry grade for

potential "high-fliers". Of those, 129 were directly recruited graduates and 57 drawn from executive officer grades.

Under the new scheme the number recruited in a single year is unlikely to exceed 100 or to sink below 50, an equal proportion being taken from external and internal candidates.

If the two unions principally concerned, the society and the Association of First Division Civil Servants, representing the higher grades, agree the plan could be implemented during the 1981 recruiting season.

The HEOD scheme was proposed by Sir Kenneth Clucas, Permanent Secretary to the Department of Trade and a former First Civil Service Commissioner responsible for recruitment.

He challenged the findings of a review committee which in 1978 recommended an executive officer development scheme to find and groom candidates for rapid promotion. Only a small proportion of those chosen for development training would have been successful.

Sir Kenneth circulated a forceful paper arguing that such a scheme would foster a failure mentality and would be wasteful of resources in an era of expenditure restraint. One of the alternatives he suggested was the HEOD scheme.

Whitehall now believes success will be built into the system. Internal candidates for HEOD will be drawn from those National Staff Side.

who are to be promoted anyway from executive officer to higher executive officer.

Those chosen for possible promotion to HEOD will then attend the Civil Service Selection Board to undergo a battery of written, oral and cognitive tests similar to that undertaken by direct graduate recruits. Such direct entrants will still be known as administration trainees and will remain two years in the grade before promotion to HEOD.

It remains an open question whether the society will accept the new scheme, as it is committed to the complete disappearance of the AT grade. But the new arrangement does represent, in the society's view, a considerable improvement on the old, which it regarded as irredeemably elitist.

Mr George Marshall, general secretary of the Association of First Division Civil Servants, said of the new scheme yesterday: "This is a much better idea. As long as we have a smallish external stream we are quite happy, and we want proper use made of in-service people."

A meeting will be held in the Old Admiralty Building, next week to discuss details of the HEOD scheme. Mr Jonathan Chalkham and Mr Alan Wisbey will attend for the Civil Service Department. The unions will be represented by Mr Marshall, Mr Campbell Christie, of the society, and Mr Peter Jones, from the Whitley Council

More aid for inner cities urged

By Our Planning Reporter

A renewed, specific commitment by the Government to discriminate financially in favour of inner cities for at least a decade was called for last night by Mr Peter Shore, MP for Tower Hamlets, Stepney and Poplar, and former Labour Secretary of State for the Environment.

Mr Shore was delivering the third annual Thomas Cubitt Lecture at the Society of Arts, London. His theme was urban decay and, as he is now Opposition spokesman on foreign affairs, it afforded a rare example of a former Cabinet minister returning to the subject of particular personal interest.

In an implicit criticism of the present Government's decision to establish urban development corporations in the London and Merseyside docklands, he said that such corporations should be set up only with the agreement of local authorities. The London docklands boroughs and Merseyside County Council strongly oppose the decision.

Without the confidence that the Government has shown in its commitment to the small buds of hope and achievement which have begun to appear in the inner cities would wither and die, he said.

"We shall see the acceleration of poverty, crime and ethnic ghettos; physical and moral decay; alienation and violence; and the growth and multiplication of problems that will plague not only us but generations to come."

Arrested liner's owners sued for more than £1m

From Our Correspondent Liverpool

The Wallasey-based Cruise Club has lodged a claim for more than £1 million damages for breach of contract against the cruise liner, La Perla, in detention at Alexandra Dock, Liverpool, a club official said last night.

The vessel was arrested at the instigation of the club. The owners, the Athens-based Perkos Cruises, are suing the club for £345,000.

The owners have allowed the club to put a consultant engineer on board to check for the alleged defects. The club is sending out letters to 2,000 people who had booked on three subsequent cruises, next month telling them they have been cancelled and that their fares, ranging from £200 to £750, would be refunded.

The ship had been "blacklisted" by the International Transport Workers' Federation.

'Sex for sale' inquiry ordered at open prison

By Peter Evans

Home Affairs Correspondent

The Home Office has asked Derbyshire police to investigate allegations that sex, drugs and drinks were for sale at a racket at Sudbury open prison, Derbyshire.

The story of graft emerged through solicitors acting for one of the prisoners, who helped his wife and a private detective she had employed to my predecessor and to myself about low manning levels and about hardened criminals being allowed into an open prison. The allegations must be investigated, but the investigation should go wider and deeper than that."

Men alleged to have taken part in the racket, a prisoner and prison officer, were named in the *Daily Mirror* yesterday, which claimed the racket could never have operated without the help of certain prison officers.

Privileges on offer included, the newspaper said, sex with a prostitute for £200; a night outside with the wife at £100; telephone calls out for £100; extra visits from the wife at £10 a time; marijuana at £5 a roll-up; pornographic books at £25 a copy; and luxury food for £25.

The *Daily Mirror* said last night that it would cooperate fully with the police inquiry.

"Everything we have got they can have."

Though local officials of the Prison Officers' Association declined to comment, an officer at the association's London headquarters said the story sounded "like something out of *Fantasy Island*".

Promising that the association would cooperate fully in the police investigation, he added: "But we do not accept that any crime has been committed unless it has been properly investigated and tried."

Because Sudbury was an open prison security was low. Getting in and out of there was easy, but if someone stayed out for any length of time they would soon be missed.

A villager at Sudbury said yesterday: "We have for some time been concerned about the criminals now housed in Sudbury. When the prison was established it housed only first offenders, but now serious criminals are detained there."

The Home Office replied last night that in general people who went to an open prison were deemed suitable to be trusted in open conditions.

If prisoners abused open conditions they would know there was a price to be paid: the risk of going back into a closed prison, loss of remission and ruined prospects of parole.

Mr David Wilkinson, vice-chairman of the prison's board of visitors, said yesterday: "If there is any substance at all in the allegations it is very serious. It has been impressed on the way the prison has been run in the past and also impressed by the staff."

Police corruption inquiry team gets new adviser

By Stewart Tindler

Crime Reporter

An indication that Operation Countryman, the inquiry into serious allegations of police corruption in London, is likely to continue for some time was given yesterday, with the announcement of a new adviser to the investigation team.

In a joint statement Mr Patrick Kavanaugh, Deputy Commissioner of the Metropolitan Police, and Mr Peter Marshall, Commissioner of the City of London Police, announced that Mr Peter Matthews, Chief Constable of Surrey, is to become an adviser to the inquiry.

It was pointed out yesterday that he left the force in 1965 and was never a CID officer.

The fact that Countryman continues to require an adviser to discuss operational matters was an indication that after nearly a year and a half work the investigations still have some way to go.

discussions on the inquiry but he is retiring at the end of February.

The Countryman team, which now includes 80 officers from forces outside London, has been based at Godalming, Surrey, for some time, so Mr Matthews' appointment would be logical.

The investigations and their progress have spurred considerable controversy and criticism and there may be criticism that Mr Matthews is himself a former Metropolitan Police officer. It was pointed out yesterday that he left the force in 1965 and was never a CID officer.

The fact that Countryman continues to require an adviser to discuss operational matters was an indication that after nearly a year and a half work the investigations still have some way to go.



A "refugee" fleeing a battle scene being helped across a bridge during a Royal Engineers' demonstration of techniques and equipment at Hawley, Hampshire, yesterday.

GLC attitude to Stansted could bring chaos to road links

By Michael Bailey

Transport Correspondent

The Government and the Greater London Council appear to be at odds over Stansted airport in a way that threatens traffic chaos in north-east London.

While the Government predicts that 50 million passengers a year will be using Stansted by the year 2000 and the Department of Transport expects up to 15,000 a day to move by road between the airport and central London, the GLC is still pursuing a policy of restricting traffic into London and building roads of limited capacity to enforce it.

Decisions are due to be taken by the GLC this week on links into central London from where the M11 from Stansted ends in the outer north-east suburbs, and the indications are that solutions chosen will be inadequate for airport traffic.

The critical one is a proposed link road from the M11 at Redbridge to Hackney, where a joint working party of GLC,

Department of Transport and local boroughs is working on outdated projections of not 50 million, but four million passengers a year through Stansted.

Asked how they proposed to provide for traffic between central London and Stansted, the GLC replied significantly by referring to a "preferred route for keeping traffic out of London", namely the M25 outer orbital motorway, which should be completed in the mid-1980s.

People wanting to drive from Stansted to central London, a GLC spokesman said, could turn westward along the M25 to the M1 and down the Edgware Road, or farther round to Heathrow and in on the M4. Traffic for south London could connect with the A2 south of the Thames via the proposed east London river crossing.

Other possible routes would involve the proposed North Circular Road, or by the proposed Hackney link and the Blackwall Tunnel to the South Circular Road.

The hiatus between the Government and the GLC can be partly explained by the fairly recent decision to choose Stansted as London's third airport, and partly by the GLC's determination to go on fighting that decision.

"We are opposed to Stansted; we still want Mipin", a GLC spokesman said.

But if the development of Stansted goes ahead, and north-east London is not to suffer from unendurable traffic blight, much more substantial road construction than the GLC envisages will be inevitable.

"We accept that road access at the moment is inadequate," a department spokesman said, "but it is difficult to assess how to cope until we know more of the design and layout of the new airport. At the moment we are looking at it on our own."

"We expect about 10 per cent of the 50 million passengers a year through Stansted to travel between central London and the airport by road."

NUT action closes schools

By Diana Geddes

Education Correspondent

A strike by teachers in Warwickshire due to begin today may be averted after a provisional agreement reached yesterday by the National Union of Teachers and the Warwickshire Education Authority. But a half-day strike planned by NUT members in Ealing, west London, is expected to go ahead.

Meanwhile, thousands of schoolchildren in Avon and Trafford continue to be sent home for part of the day because of the refusal by some NUT members in Avon, and by the National Association of Schoolmasters/Union of Women Teachers in Trafford, to teach a new timetable introduced in the middle of the school year.

A half-day strike by NUT members is due to take place in Nottingham and south Nottinghamshire tomorrow in protest against the suspension of a primary school teacher who refused to teach 40 nursery children in one class.

Warwickshire NUT members had threatened to go on strike from today in protest against the proposed docking of teachers' pay involved in a half-day strike on November 14, and in support of a headmaster who was suspended and reprimanded after refusing to inform his staff that the half-day strike would constitute a breach of contract.

Mr Charles Holbrook, head of Milby Middle School, in Nuneaton, was reinstated three days after the half-day strike, which had been held in protest against the docking of supply teachers in the county, but the reprimand remained.

The provisional agreement reached yesterday by the Warwickshire authority and NUT national, regional and local officials has to be ratified by the Milby school governors today. Details of the agreement have not yet been released, but it is known that it covers the main points of contention, namely the docking of salaries, the reprimanding of Mr Holbrook, and future provision of supply teachers.

In Ealing thousands of children in the authority's 16 secondary schools may have to be sent home today for part of the afternoon when NUT members strike. The protest against the proposed sale of a comprehensive school to the Church of England. The church has no secondary school in the area.

Brunel exhibition plan for old Bristol station

By John Young

Planning Reporter

Plans have been announced to adapt the original Temple Meads railway station in Bristol, which was designed by Isambard Kingdom Brunel, to house a permanent exhibition of works by him and other eminent Victorian engineers and architects.

The station, built in 1840, is the earliest large main-line terminal to have survived unaltered and is listed Grade I. It adjoins the present station and was declared redundant in the 1960s.

The British Rail Property Board has agreed to lease the building for the next year at a peppercorn rent to the Brunel Engineering Centre Trust, and has undertaken to help with fund-raising. If the funds are forthcoming a permanent lease will be negotiated.

Mr Anthony Byrne, honorary secretary of the trust, said yesterday that it planned to use the entire site, including the offices, which are empty, the vaults and the train shed, now temporarily used as a car park.

Cars stolen to sell abroad for cannabis, Crown says

From Arthur Osman

Birmingham

The activities of what was described as a skilful, well organized and highly successful international gang of car thieves and drug smugglers were outlined at Birmingham Crown Court yesterday.

The countries in which they operated included Holland, France, Italy, Greece, Turkey and some in the Middle East, it was alleged, and expensive cars were stolen to sell for profit and cannabis resin and cannabis oil.

Mr Brian Escott, QC, for the prosecution, told of a heavily defended cannabis farm at Basbek, Lebanon; of the skills of a man called "The Magician" who, he said, "could make things disappear in this case large quantities of the into a car boot with a false floor, and liquid cannabis oil into the wishbone of a car's suspension system."

Four men and a woman before the court were: Keith Anthony Leonard, aged 25, of Broadwood Park Road, 25, of Heath, Birmingham; Michael Foy, aged 29, of Moorland Mews, Islington, London; Colin John Trehan, aged 28, of Hazel Pindus, Penrhys, Mid Glamorgan; and Robert John Ashton, aged 24, and his wife Lyndsey Ann Ashton, aged 23, of Ynyswen Road, Ynyswen, Mid Glamorgan.

All five denied conspiring together and with others to assist in the commission of offences against the laws of countries on the prohibition and regulation of the import and export of cannabis resin and oil. Mr Leonard, Mr Foy and Mr Trehan deny an additional conspiracy charge, and Mr Leonard and Mr Foy deny conspiracy over the possession of UK passports.

Mr Cox said that the first three defendants were members of an international gang, which included British, Irish, American, Dutch, Canadian, German and Spanish people.

By using forged documents and passports they stole expensive cars in Europe and drove them to the Middle East "with astonishing ease and frequency". The cars were exchanged for money and drugs, which were shipped to Europe for sale there and in the United States and Canada. There was no evidence that any came to the United Kingdom.

Mr Cox said that although the gang had no leader as such, there was a principal organizer, an American named Samuel George from Idaho, in the words of one defendant: "Sam is an evil, no-good villain", who was sought by several police forces throughout the world for drug smuggling and car thefts.

On December 22, 1978, Mr George was found dead in a garage in Paris and had false English identity documents with him. Before his death he had run the Branderij hotel, in Amsterdam, with his wife, Francine. That was the gang's headquarters.

Two detectives remanded

Two Metropolitan Police detectives accused of corruption were remanded in custody for seven days at Bow Street Magistrates' Court yesterday.

Det Constable Paul Rextrow, aged 27, of the Flying Squad, Courtwood Lane, Croydon, and Det Constable Michael Bradbury, aged 30, of Hastings Road, Bromley, Kent, are charged with accepting inducements of £1,500 and of demanding the same amount with menaces.

Government's £500,000 grant for farm

By Our Planning Reporter

The Government has agreed to advance £500,000 to the Nature Conservancy Council for acquisition of Scotland Lodge Farm, near Salisbury, Wiltshire, said to be one of the most important chalk downland sites in Britain.

The 1,000-acre farm, which has been managed by traditional methods, contains a variety of grasses and flowering plants that were once widespread in the region but elsewhere have been largely eliminated by ploughing and agricultural chemicals.

The will of the late Robert Wides gave the council an option to buy the site at an advantageous price.

David Bedford banned

David Bedford, aged 30, the former Olympic athlete, of Torrington Park, North Finchley, London, was fined £500 and banned from driving for a year at Highgate Magistrates' Court yesterday when he admitted driving with almost three times the legal limit of alcohol in his blood.

Man in the news: Why NF chief who hoped to lift party's fortunes resigned John Tyndall, the quiet fascist leader

By Ian Bradley

John Tyndall, who on Sunday announced his resignation after more than six years as chairman of the National Front, has been a quieter and less charismatic leader of British fascism than either Sir Oswald Mosley or Mr Colin Jordan.

Although he has not become a household name in the way that Mosley and Jordan did to earlier generations, he has succeeded through a combination of rabble-rousing oratory and cool organization in his aim of getting the National Front into the headlines even if he has never managed to make it look like a respectable political party.

Mr Tyndall has always made much of his desire to establish the National Front as the fourth party in British politics, dedicated to winning power through the ballot box, and he has tried to play down his own flirtation with neo-Nazi groups in the past. He has, however, remained remarkably consistent in his advocacy of nationalism, white supremacy and anti-communism.

The son of an Irish Protestant who settled in Britain in the 1920s and became a YMCA administrator, Mr Tyndall first developed his overpowering sense of Britain's greatness as a small boy during the Second World War. He felt himself immensely privileged to be born into the British race and believed it important to carry on the great imperial heritage of the past.

Like some others of his generation, he found it difficult to settle after the discipline of national service, during which he was a lance-bombardier in the Royal Horse Artillery. Then, in 1956, at the age of 22, he joined the League of Empire Loyalists and found an echo of his own views in the writings of their leader, A. C. Chesterton.

During the 1960s he was involved in both the British National Party and Colin Jordan's National Socialist Movement, which he left in 1964 to form his own Greater Britain Movement.

In 1967 he was involved in the behind-the-scenes negotiations between the Empire Loyalists, the British National Party, the Racial Preservation Society and his own group which led to the formation of the National Front.

Working first from his mother's house in south London, and after his marriage in 1977 from his home on the Sussex coast, Mr Tyndall has always remained somewhat aloof from other leading figures in the National Front.

His resignation has been caused by personal differences with his former principal lieutenant, Mr Martin Webster, the Front's national activities organizer, and the refusal of the party's directorate to give him the powers which he feels he needs to reverse a steady decline in membership and to heal damaging splits in the party.

Since the election, in which the National Front obtained a desirous 0.6 per cent of the poll despite fielding 303 candidates, morale has been low and the party has come near to splitting into a number of factions.

Mr Tyndall believes he is the only man who can restore its ailing fortunes. It remains to be seen whether the members agree with him and will restore him to the chairmanship by backing his call for greater powers against the ruling of the directorate.

Gondola of Ruskin's day plies Lake Coniston again

That remarkable example of Victorian elegance and ingenuity, the Steam Yacht Gondola, is due to slip back into her home waters of Lake Coniston on March 25, having been restored to her original glory from a half-wrecked, semi-sunken condition in just over three years.

Sy Gondola, 85ft long and originally licensed to carry 225 passengers, was launched in 1859 for the Furness Railway Company, which was then opening up the attractions of the Lake District to the nation at large.

The vessel, which was built in sections in Liverpool and transported to the lake by rail and horse and cart, was so named because her hull shape, and still does, resembles the general lines of the traditional Venetian craft. Instead of a lusty gondolier as power plant, however, she had a V-twin cylinder 16hp steam engine, said to have been almost intact, this even in full revolutions, which ignominiously ended its days driving a sawmill at Ulverston.

Regional report

John Chartres Coniston

She plied the four-mile-long lake for 80 years, acting not only as a pleasure steamer but a well patronized ferry service between various village jetties. She served through five reigns and in one year, 1906, carried 22,445 passengers.

When the Second World War brought an end to her daily voyages, which had been mentioned with affection by such chroniclers of the Lake District scene as Arthur Ransome, Thomas Hardy and John Ruskin, she was first reduced to the status of houseboat and, finally, deliberately half sunk by her last owner at the southern end of the lake to protect her from vandals.

The restoration work has

been organized by the North-west region of the National Trust and an appeal committee headed by Lord Rochdale has so far raised £75,000 of the £100,000 target.

National Trust officials and others among the large community of historic steamboat enthusiasts in the Lake District refloated her in 1977 and gingerly towed her to the northern end of the lake (with axes at the ready in case she sank deeply in mud and water and dragged the towing craft down with her). Preliminary restoration work then began at Coniston Hall.

One of the main tasks, the replacement of her original "Low Moor iron" plates has been carried out at Vickers shipyard, Barrow-in-Furness, and much of what yachtsmen call "H.C." (Tender Loving Care) is now being applied to rebuilding her ornate saloons, of which the first-class one was the height of contemporary elegance, in blue and white decor, cushioned and carpeted in the style of Queen Victoria's royal train.

A copy of the original engine is being built by Locomotion Enterprises Ltd, of Gateshead, the small company which is earning an international reputation for its work on copies of the earliest steam locomotives and is embarking on the restoration of HMS Warrior.

Three new jetties are about to be built on the lake, a regular supply of suitable coal has been organized, a master appointed (Captain Peter Gaukroger, a former big ship merchant navy officer) and she is due to begin scheduled services again on July 1. There will probably be three or four round-the-lake trips a day at a fare of about £150.

The final cost is likely to exceed the £100,000 first envisaged, because of inflation and unexpected snags that nearly all such ventures encounter. A final appeal is about to be launched, supported by an EP record made by a local folk group called the Bag o' Rags, extolling the virtues of a vessel which the National Trust describes as a survivor from the grand days of elegance afloat.

Trust aims to offer legal advice by phone

By Kenneth Owen

Technology Editor

Computer-based systems giving access to legal information are to be promoted by a new charitable trust, the National Law Library, which has been set up by the Law Society of England and Wales, other legal institutions and the Society for Computers and Law.

The trust was inaugurated last night at a reception at the Law Society's Hall, London. Its president is Lord Scarman.

Among the trust's main objectives are "to further the sound development, administration and knowledge of the law; to advance education therein; and to promote research... to establish and operate, or to assist, advise or provide services in connection with the establishment and operation of legal information retrieval services based on computer technology so as to improve the legal profession and to the public at large."

Specifically, it plans to run a pilot project this year in which a database of law information will be accessible to selected trial users through the public telephone network. That will be done jointly with one or more publishers or computer bureaux.

Tax law was chosen as the subject for the pilot project because it is a self-contained, important area of the law, is widely referred to by lawyers, accountants and others, is based on a broad base of material and needs frequent updating.

By tackling such a subject on such a basis it is expected many of the practical difficulties and standards involved in legal databases generally will be exposed.

The executive arm of the trust is a wholly owned limited company, the National Law Library Ltd, whose chairman is Mr David Andrews. The Law Society of England and Wales will make an initial £60,000 grant to the trust; further support is promised from other sources. The trust's funds will be launched shortly.

Former minister may ask for sealed papers

By Our Social Services Correspondent

Mr Alfred Morris, former Labour minister for the disabled, is considering asking Mrs Margaret Thatcher to treat him as a special case by releasing sealed papers to him on the ground that they have been referred to publicly by his successor.

The papers are the work of a team of officials appointed by Mr Morris, Labour MP for Manchester, Wythenshawe, when he was minister. His successor, Mr Reg Prentice, Minister for Social Security, referred to the papers when he told the all-party disablement group last July that the team had been disbanded.

Normal practice when governments change is for the previous administration's papers to be sealed. Former ministers can have access to the papers but can retrieve the information only by copying it down with their own hand. The papers Mr Morris wants were lengthy and detailed, as the officials had virtually completed their work on proposals for a new comprehensive disability income scheme.

"It is highly unusual for an incoming minister to refer to the work of his predecessor," Mr Morris said yesterday. "The present minister has publicly referred to the work and the names of the team, but has been made aware of it by officials in the department."

Two remanded on robbery charges

Two men facing charges including conspiracy and robberies involving large amounts of cash were remanded in custody for a week at West London Magistrates' Court yesterday.

They are Raymond Perkins, aged 40, a guilotine operator, of Wolesley Close, Crayford, Kent, and David Gleeson, aged 37, a director, of Ryculf Square, Blackheath, London.

HOME NEWS

BMA letting public see its code of ethics for guiding doctors

By John Roper
Health Services Correspondent

For the first time in 125 years the code of ethics framed by the British Medical Association for the guidance of doctors is being made available to the public this week.

Dr Michael Thomas, chairman of the association's ethical committee, said yesterday that one reason was that a more educated public needed to know the rules under which the "game was played". That would give patients more confidence.

The new code recognizes in a foreword that contemporary medical ethics, while retaining some of the etiquette of an earlier time, has changed with new and ever more complex problems to which the past offers no solutions.

That is exemplified in a section headed "Ethical dilemmas", which sets out general principles about which a consensus has not been reached.

In that section the code examines reduction of services to patients, a matter for doctors because of the cuts in services forced by lack of money.

The code says that refusal by a doctor to work for patients on the ground that adequate conditions are lacking is not industrial action but the performance of duty. Such action would constitute action not against, but on behalf of, patients.

"Those who maintain that it is always unethical for a professional man to withdraw his services, which in the view of many is the only effective weapon available to him when persuasion fails, are in danger of accepting for doctors a position of subservience to their employers that would eventually preclude them from maintaining their professional standards," the code says.

The desire not to harm patients by direct action may then result in harming them by doing nothing.

The profession should require the state not to renege on its social responsibilities and the state should not require doctors to renege on their ethical responsibilities.

A dilemma that seemed likely to persist was that the two sets of responsibilities were not in direct conflict, if not in direct conflict.

Under allocation of resources, which recognizes that those for the NHS are finite, the code says that if as a result of restrictions the overall conditions in which a doctor is required to practise in the NHS fall below a minimal level of acceptability to him, he might feel that it would be unethical to continue to advise patients in a difficult situation which was not his fault.

The society has promised to assemble a Turner library and a collection of engravings. The Government is understood to want all issues to be resolved as quickly as possible.

Gallery for Turners will adjoin the Tate

By Kenneth Gosling
Arts Reporter

A permanent gallery to house the Turner Bequest is to be established by 1984 on a site adjoining the Tate Gallery. The Clore Foundation has made a £5m donation. Professor Alan Bowness, the gallery's director, announced yesterday.

Professor Bowness said after meeting representatives of the Turner Society that the Queen Alexandra Military Hospital site would be used.

Although the uniting of all Turner's works under one roof would be the culmination of a campaign that has lasted many years, the Turner Society wants the collection to be housed for now at Somerset House. It says the gallery might not be ready for 10 years.

The society is also concerned about maintenance and running costs of the gallery, although the Government has said that it was ready to pay in principle.

The Office of Arts and Libraries said last night: "The Government is obviously most gratified by the Clore offer. There are now a number of factors that have to be considered and these are being examined."

Turner's works are in several major museums; the Turner Society is now urging that there should be an independent board of trustees but that issue is unresolved.

Whitehall brief: Contingency plans for a freedom of information Act

£30m cost of sorting defence documents

By Peter Hennessy
There are a handful of optimists who believe that eventually the Prime Minister will become converted to the cause of freedom of information either by a blatant example of maladministration or from a desire to enlist public support against a resistant Whitehall machine wedded to orthodoxy she does not share.

Should that happen, Mrs Margaret Thatcher will find a fairly advanced scheme for introducing a public right of access to government information ready prepared in departmental files. For Whitehall last year took the threat of Mr Clement Freud's now defunct private member's Bill very seriously.

His Official Information Bill disappeared with the Callaghan Government. But, before its demise the official Cabinet Committee on Open Government, GEN 146, commissioned a series of departmental studies on how the right of public access, enshrined in Mr Freud's Bill, would be implemented if it became law.

The transformation it would have wrought in Whitehall can now be gauged, thanks to an exemplary piece of open government by the Ministry of Defence, which has agreed to a request from *The Times* to be shown sections of its Freud contingency plan.

Defence is Whitehall's biggest department and its most prolific creator of paper. It has five million files in active use at any one time. Not all of them would have been liable for public inspection under the



Mr Don Pollock, head of the programme management division of the United States' Freedom of Information Library in its reading room in the Pentagon in Washington.

Freud Bill, as it permitted a number of exemptions, including sensitive defence and security material.

The Ministry assumed that if the Bill became law on January 1, 1980, it would have been allowed a year of grace before being obliged to release its material. That exercise, the study estimated, would have cost £25m and absorbed 1,200 man-years of Civil Service labour at the ministry's headquarters alone, with at least an equivalent effort at military and civilian establishments throughout the country. The study considered such an operation to be impractical.

30-year rule and it would have cost £30m.

The prospect of the Freud Bill establishing such a retrospective right of access to documents not normally releasable until 30 years had elapsed was one that haunted GEN 146. Officials were authorized to bargain with Mr Freud's team of advisers on the point, and discussions were taking place when the Callaghan government lost its vote of confidence in April.

The effort planned by the Ministry of Defence would have meant little, even with Freud on the statute book, without a clear and convenient system for putting the material before the interested public. To that end, the ministry had tentative plans for a number of reading rooms in Whitehall and in certain regional centres.

Each would have had available, for immediate consultation, items common to the whole ministry like staff instructions and training schemes, other than those falling inside the exempt category, plus additional catalogues to assist the public in determining precisely the documents they required. Such catalogues would list only those documents that were available.

Sadly, the work came to an abrupt halt in April when the general election was called. The ministry's plan had not even reached the sixth floor of its main building in Whitehall where ministers, permanent secretaries and chiefs of staff take final decisions on policy matters.

Bequest of £300,000 to library 'a valid trust'

A £300,000 gift to the library of the Taylor Institution at Oxford University by Dr Theodore Besterman, a Voltaire scholar, to continue his life's work as a valid charitable trust, Mr Justice Slade ruled in the High Court yesterday.

The judge dismissed arguments on behalf of Dr Besterman's widow, Mrs Marie-Louise Besterman, of Thorpe Mandeville House, Thorpe Mandeville, Banbury, Oxfordshire, challenging the validity of the trust.

Dr Besterman, who died in November, 1976, owned a valuable collection of books, manuscripts and works of art concerning Voltaire and the Enlightenment. In his lifetime he presented many of them to the library.

He left his residuary estate on trust for the university to complete his research work on Voltaire, Rousseau and other authors.

At his death two specific projects were unfinished, a complete correspondence of Rousseau, of which 10 of 42 volumes had been published, and the complete works of Voltaire in 130 volumes, of which 91 had been completed. "Dr Besterman intended that his money should be used to finish these two items," the judge said.

On behalf of Mrs Besterman it was argued that the trust was not charitable because it involved the mere pursuit of knowledge without its communication to others.

Labour challenge on pension shortfall

By Pat Healy
Social Services Correspondent

Opposition MPs have tabled 14 amendments to the Social Security Bill, which begins its committee stage today, in an attempt to prevent the Government from breaking the earnings link with pension increases.

Their determination to embarrass the Government has been intensified by the disclosure last week that the November pensions increase was 2 per cent too low.

"There is no sign that the Government intends to make good the shortfall, which makes it much more important that the link with earnings is not broken," Mr Stanley Orme, Labour spokesman on social services, said yesterday. "We intend to raise this issue very strongly during the committee stage."

Mr Orme fears that if the Government succeeds in dropping the link with either earnings or prices, the newly disclosed shortfall will never be made up. The previous shortfall of 1.8 per cent under the Labour administration, in which Mr Orme was Minister for Social Security, was made up last November.

Mr Andrew Bennett, Labour MP for Stockport, North, a member of the standing committee on the Bill, has tabled amendments seeking to impose a new duty on the Government to make good any shortfall in future.

He proposes that it should be done by paying pensioners a lump sum when the relevant figures become known, usually two months after an increase, and then adding the appropriate proportion to pensions at the next increase.

The only duty at present is to raise pensions by the amount of earnings or price increases, but if the Government gets it wrong there is no duty to make good the shortfall," Mr Bennett said yesterday.

"Pensioners get very upset because increases are announced 22 weeks before they get the money," he said. "A lump sum would get round that problem without raising technical difficulties."

The Labour MPs also intend to press Mr Patrick Jenkin, Secretary of State for Social Services, to say how the Government intends to allow pensioners to share in increases in prosperity if the present link with earnings or prices is changed to prices only.

Mr Jenkin assured the Commons during the second reading debate that the Government meant pensioners to share in rising standards of living.

Three die in fire at National Trust house

From Our Correspondent
Oxford

Mr Eric Rodgers and Mr Derek Liggins, the landlords, and Mrs Barbara Hiscock, died when fire destroyed their remote riverside public house yesterday. The three bodies were found by firemen in the ruined Anchor Inn at Eaton Hastings, Oxfordshire.

Brian Tremblen, a part-time barman, left the three there late on Sunday night after discussing plans for the marriage on Saturday of Mr Liggins, a widower in his 50s, and Mrs Hiscock.

The fire was spotted about 3.20 am by Pauling James, aged 17, in the neighbouring village of Kelmscott, half a mile away. Firemen believe a gas fire cylinder may have exploded, sending flames racing through the £40,000 mid-Victorian brick and timber Thameside building owned by the National Trust.

Mother, aged 16, of murdered baby is taken into care

The mother, aged 16, of a baby girl who was battered to death by her father was taken into care at Birmingham Crown Court today. She admitted causing the baby bodily harm.

Mr Justice Stephen Brown criticised Birmingham social services department for allowing the girl to continue living with the man after she had the baby.

The judge said: "Matters of this sort cause great public concern. What has troubled me greatly is that this girl of only 15 was sent back to a situation to live with a young man of 23 where further criminal offences could take place."

Last Friday the child's father, Robert Allen Haddon, aged 23, was jailed for life for the baby's murder. A pathologist said the baby's fractured skull had probably resulted from the child being picked up by her legs and her head dashed against a wall.

Boy gets award for damage to eye in viewing eclipse

A boy who was partially blinded watching an eclipse of the sun during a geography lesson is to receive undisclosed damages from his local education authority.

Ralph Gifford, now aged 19, suffered a burn on the retina of his right eye while looking at the eclipse through a smoked glass filter handed to him by his geography teacher at Napier Road School, Gillingham, Kent, in 1976.

An apprentice machinist, at Chatham docks, Mr Gifford, of Beechwood Avenue, Rochester, sued Kent County Council in the High Court.

The council denied liability and claimed that any injury he sustained was due to his

negligence in looking through one filter instead of two, as directed.

Professor Robert Weale told the court yesterday that the brown filter which Mr Gifford said he had used was "not adequate protection to view the sun safely" and that "the only combination which approaches safety is that of the blue and green filters taken together."

He said that young people are generally at greater risk because their pupils are larger and more light penetrates their eyes.

After that evidence the action was "stayed" by Mr Justice Cantley on agreed terms, which were not disclosed in court.

Former Forest chief gets bail

Mr Stuart Dryden, former chairman of Nottingham Forest Football Club, was released from jail yesterday pending an appeal against a six-month sentence imposed at Nottingham Crown Court last Tuesday on four charges of deception.

Bail was granted by the Court of Appeal in London. The application was referred to the court by Mr Justice Paton, sitting in chambers at Paton, sitting in chambers at Lincoln Crown Court, the day after the trial of Mr Dryden, of Trevor Road, West Bridgford, Nottingham.

WHY YOUR LAST FUEL BILL CHARGED YOU FOR HEAT YOU DIDN'T USE.

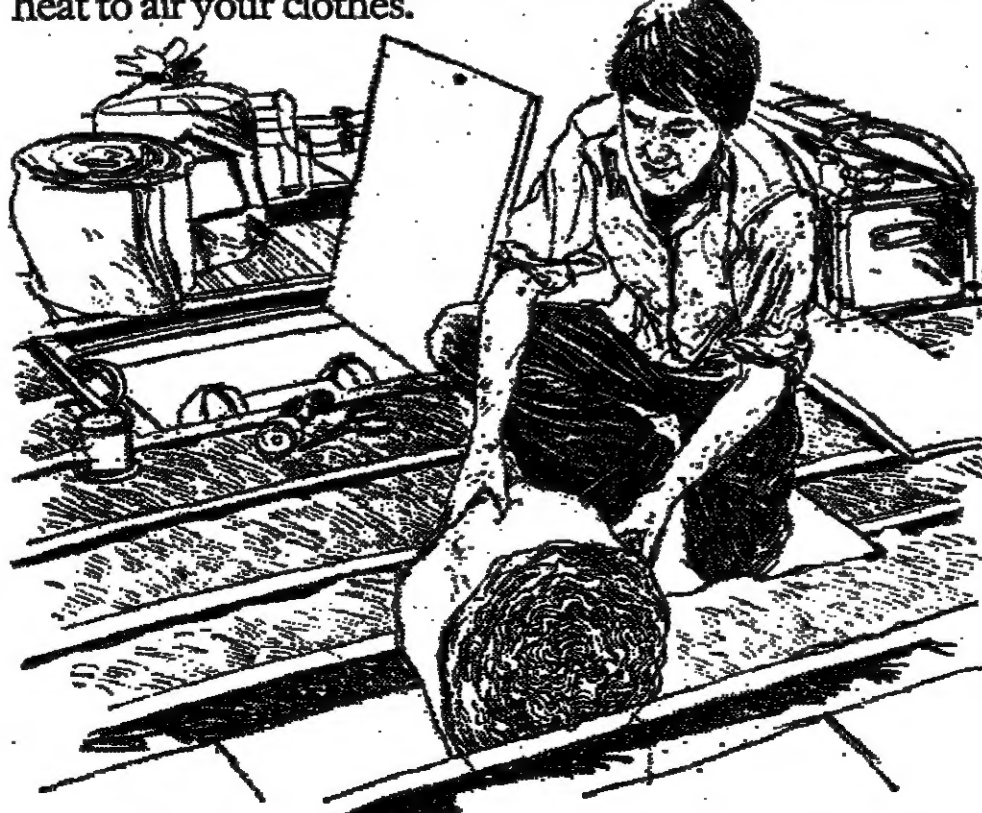
You've been paying for the heat that got away.

The heat that disappeared through your walls, windows, tank and loft, only to reappear on your fuel bill a few months later. It's obviously heat you can do without, so why not do something about saving it?



For instance, if you fit your hot water tank with a good thick jacket, the heat it retains will keep water hot for longer, consuming less fuel and less money.

Yet even with the thickest jacket there will still be enough heat to air your clothes.



If your bedroom cools down quickly at night, perhaps you should sleep in your loft.

Because that's where the heat could be going.

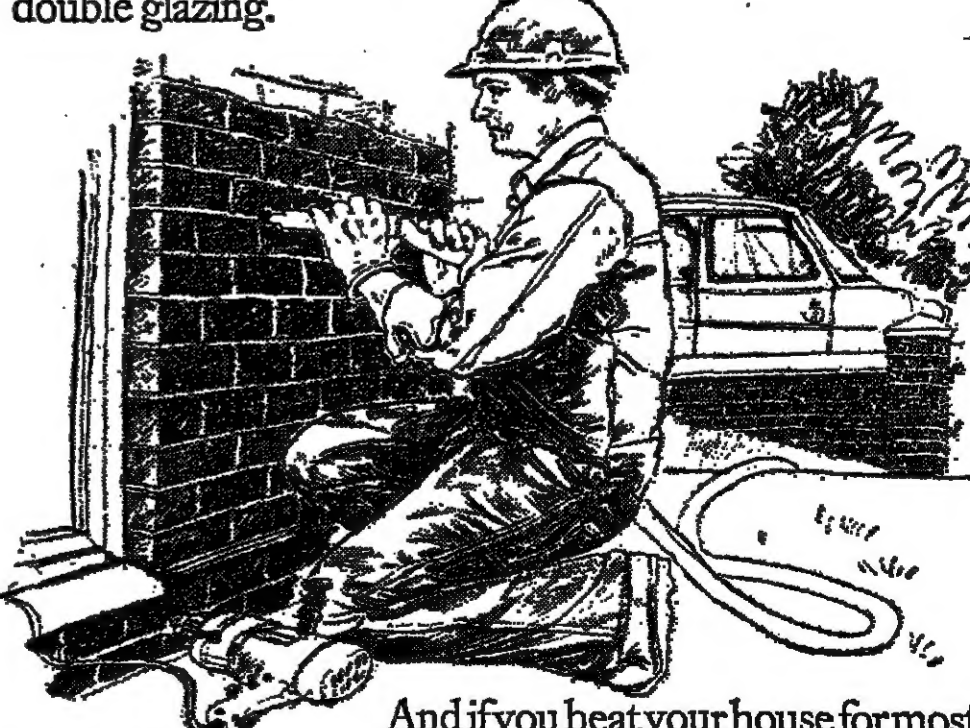
A full 3 inches of insulation (mat or loose-fill) would keep that warmth where it's most appreciated.

Without efficient insulation your loft is adding a huge extra room to your heating bill.



If you have a large window in your living room, that window could be quietly lowering the temperature while your central heating works overtime to raise it.

In a case like this you'd be well advised to consider double glazing.



And if you heat your house for most of the day, why not talk to some specialist firms about the possibility of installing cavity wall insulation? Here again you could find dramatic savings in fuel.

We've included more advice on these and other forms of insulation in our booklet "Make the most of your heating". (You'll also find details of a grant of up to £50 towards loft and tank insulation.)

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MAKE THE MOST OF ENERGY

PARLIAMENT, January 21, 1980

Steel strike causes firm to cancel investment in Wales

House of Commons
At least one industrial company had cancelled its planned investment programme in Wales because of the steel strike, Mr Nicholas Edwards, Secretary of State for Wales, said during questions on his meeting with the Welsh TUC.

Mr Anthony Meyer (West Flint, C) asked the Secretary of State whether the steel strike had caused any company to cancel its planned investment programme in Wales. Mr Edwards said that he had not heard of any company cancelling its investment programme in Wales because of the steel strike.

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Minister not able to guarantee arts aid

The British Library should be able to give a first-rate service to British readers and scholars from all over the world, Mr Norman St John-Stevas, Chancellor of the Duchy of Lancaster, said during Commons questions on the arts.

Mr Michael Neuber (Havering, Romford, C) asked the Chancellor of the Duchy of Lancaster whether recent representations he had received on the relocation of the British Library.

Mr Norman St John-Stevas (Chelmsford, C) said he had recently received a letter from the President of the Royal Society of Arts, Sir John Gilmour, asking the Government to consider the relocation of the British Library.

Government studying law on processions

Citizens and tradesmen in the West Midlands would be protected from being caught in street processions and demonstrations by a new clause to the West Midlands County Council Bill, Mr John Gifford (Birmingham, C) said during Commons questions on the Bill.

Mr Gifford said that the Bill was designed to protect citizens and tradesmen in the West Midlands from being caught in street processions and demonstrations by a new clause to the West Midlands County Council Bill.

And Civil List too

Mr John Gifford, Chief Secretary to the Treasury, said that the Government was studying the possibility of a new Civil List to replace the existing one.

Secretary of State for Wales denies regional policy has been abandoned

It is ill-behaved Labour MPs to give lectures on unemployment, Mr Nicholas Edwards, Secretary of State for Wales, said when questioned about the number of jobs in the Principality.

Interest rates and much of the economic difficulties arose from the excessive spending of the Labour Government and their failure to take the necessary action when the time was right, said Mr Edwards.

He said that on December 6, 1979, there were 85,177 people out of work in Wales compared with 38,424 in February 1974, and 83,024 in May 1979.

Fears of 'industrial desert' in South Wales deplored by Mr Edwards

Mr Nicholas Edwards, Secretary of State for Wales, said he deplored continued suggestions that decisions about the steel industry would turn South Wales into an industrial desert.

Asked when he next proposed to meet the chairman of the national industrial council, Mr Edwards said that he would meet the chairman of the council in the near future.

Mr Edwards said that he would meet the chairman of the council in the near future.

Need to ensure people of northern region get equal access to necessities of life

The outlook for the northern region was potentially disastrous, Mr Ian Widdows (Teesdale, Northumberland, Lab) said when he opened a debate on the problems of the region.

Mr Widdows said that the region was facing a potential disaster and that the Government needed to take action to ensure that people in the region had equal access to the necessities of life.

British Library project under review

The contribution to arts from public funds in Britain was great, Mr David Price (Eastleigh, C) said during Commons questions.

Mr Price said that the Government was reviewing the British Library project and that he was concerned about the contribution to arts from public funds in Britain.

WEST EUROPE



Mr Peter Walker, the Agriculture Minister, left, listens to his Italian counterpart, Signor Giovanni Marcora, seated, before the EEC agricultural ministers meeting in Brussels

Mr Walker firm on farm price freeze

From Michael Hornsby, Brussels, Jan 21
Mr Peter Walker, the Minister of Agriculture, said here today that Britain "started from the position" that farmers' support prices should remain frozen at their current level over the coming year in the case of products in surplus.

A demand by EEC farmers for a 7.9 per cent price rise to offset production costs was described by Mr Walker as "not on", but he declined to give an assurance that Britain would not accept any price rise for surplus products.

Prague deprives author's wife of her nationality

From Sue Masterman, Vienna, Jan 21
The Czechoslovak Embassy in Vienna informed him that his wife had been deprived of her nationality because of his "subversive activities abroad".

He immediately appealed against the decision and sent a copy, carefully documented with many newspaper reports of his refusal to make political statements, to the Czechoslovak Internal Affairs Ministry.

Strike and picketing, after a fares rise, finally destroy fame won at Battle of the Marne

From Charles Hargrove, Paris, Jan 21
The happy and voluble taxi driver, ready to play the benevolent guide to his fares or to air his views on the inequities of the government, is a rapidly disappearing personality of the Paris scene.

Over the years, the fame of Paris taxi drivers had won for themselves at the Battle of the Marne has been gradually whittled away. They have become increasingly sour and disgruntled and now have declared open war on Parisians.

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Irish told of Britain's stand on EEC budget

From Our Correspondent, Dublin, Jan 21
Sir Ian Gilmour, the Lord Privy Seal, today met Mr Charles Haughey, the new Irish Prime Minister, and Mr Brian Lenihan, the Foreign Minister, to discuss Britain's EEC budget contribution.

Sir Ian said afterwards that the talks had taken place in a good atmosphere.

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مكازم الأصيل

WEST EUROPE

Government by decree harms process of democracy in Italy

From Peter Nichols

Rome, Jan 21

The Italian Parliament is foundering beneath waves of authoritarianism, absenteeism and the habit of governments to rule by decree. Both the Christian Democrats and the Communists have pointed to the institutional failure as striking at the heart of the country's democracy.

The only difference in the approach of the two biggest parties is the order in which they place the defects. The Communists begin with the practice of the Christian Democratic minority Government of imposing legislation by decree.

The Chamber of Deputies, on the other hand, has been under Communist chairmanship for some four years, its presiding officer is a Communist, and Signora Nilde Iotti, who states that the Chamber itself is nearly ungovernable and is rapidly approaching the point of no return.

She maintains that the source of the trouble is the weakness of Signor Francesco Cossiga's Government and his use of decrees to offset his lack of a working majority. The technique is that the Government can approve measures and bring them into force by decree but these measures must be approved by Parliament within 60 days. So far this year the Government has introduced decrees at an average of nearly one a day.

According to Signora Iotti, the constitution only allows the use of decrees for urgent measures. It is supposed to be a form of legislation which should be used as an exception not as a rule.

By making such widespread use of it, she says, the Government has changed the relationship between Parliament and the executive as laid down by the constitution. The legislature, she believes, has been denied its powers of initiative and has become little more than the executive's notary.

Her second objection is to obstructionism. This week should see one of the highpoints of its use. Literally thousands

of amendments have been proposed to the Government's recent measures against terrorism. Most of them were tabled by a small but very active Radical Party, which is now leading the obstructionists.

The Radicals object to government by decree and also to the content—as in the case with the anti-terrorist measures—some of the Government's deliberations. They are helped by the Chamber's rules which allow much liberty of action to smaller parties. The order of parliamentary business for instance has to be agreed unanimously by the leader of every party represented in the Chamber.

The latest reshuffle brought Signor Clelio Darida to the post which handles the Government's relations with Parliament. He is a Christian Democrat by no means unused to frustrating appointments having been the Mayor of Rome.

A few days after taking up his new job, he began talking about the paralysis of Parliament and its danger to democracy.

He points out that not only are the anti-terrorist measures coming before the Chamber this week, but the long discussion of a Bill on the press—this time for a decree but a parliamentary measure—must continue. The latter runs the risk of not being approved despite the fact that it has, theoretically, the backing of a large majority.

As far as he is concerned, obstructionism is the first of Parliament's evils. Such measures have already been approved with sound majorities in the Senate, he points out.

He admits that government by decree has been growing. He explains this phenomenon by pointing out that governments have short lives and Parliament, too, has now on several occasions been dissolved well before it has run its full course of five years. Hence governments use decrees as a means of introducing essential measures.

Obstructionism itself, which is aimed against the decree system, also drives governments to use decrees with increasing frequency.

OVERSEAS

For first time since war Bonn fails to give wholehearted support to American policy

Germans urge US not to sacrifice benefits of détente

From Patricia Clough

Bonn, Jan 21

Herr Hans-Dietrich Genscher, the West German Foreign Minister, hopes to exercise a moderating influence on President Carter and his Administration during his visit to Washington today and tomorrow.

This is the first world crisis in 30-year history, when West Germany has not been able, wholly and instantly, to see eye to eye with its vitally important ally and the result is deep unhappiness in Bonn.

The double crisis has created a divergence, not so much of interests, but of emphasis. This has been made rather shyer than it would otherwise have been by the fact that both President Carter and the West Germans face elections this year.

While the West Germans source that the Soviet Union should be deterred from other Afghanistan-style ventures, it is anxious not to sacrifice the outstanding and tangible achievements of its détente policy which have benefited not only Germans but Europe as a whole.

Although the Germans are fully aware of the implications of Afghanistan, Berlin, as one newspaper put it, is nearer than Kabul. The Germans dread a return to a cold war atmosphere.

The West German attitude might be better appreciated in Britain if two million Britons lived in a walled city over 100 miles behind Soviet lines, potential pawns in a colossal game of minefields and booby-trapped fences ran across the country, keeping a third of the population prisoner in the Communist camp; if instead of the sea there were along its

eastern boundary Soviet tanks and weapons pointed at London, Birmingham and Manchester.

In this Government's ten years in power, Berlin has ceased to be the flashpoint of Europe, its status and access have been secured to a great extent by treaty. Families separated by the division of Germany have been reunited, relatives in East and West can visit and telephone each other, trade is flourishing and ties with East Germany, created which it would be painful and costly to sever. Diplomatic relations with East European countries have been established and the hatred of the former enemy is being slowly replaced at least on government level by respect.

"Is this all to count for nothing any more?" Herr Helmut Schmidt, the Chancellor, asked Parliament last week.

The Americans have asked their ally for fuller support and have got it—in words. Deeds are proving harder to produce.

Although unconvinced of their effectiveness, Bonn is willing to join in coordinated sanctions by the West against the Soviet Union. But a hard look at the files have shown that this would not amount to much.

It is willing to discuss an embargo on the export of high technology goods through Cocom (the coordinating committee for East-West trade policy) but this would probably boil down to some rather small computers.

The Americans are also pressing Bonn to withdraw state trade guarantees but these are embedded in a treaty. To breach treaties would open the way for an appalling escalation, with Berlin as the first victim.

The greatest deterrent to the Soviet Union in German eyes is the revolution among Third World countries, who realize that they too could fall victim to Russian power strategy. But any attempt to exploit this by the West would only do more harm than good.

However, the Germans are planning to give even more economic aid to countries on the fringes of the crisis area, including Pakistan, India and Turkey.

Two polls support Olympic boycott call

From David Cross

Washington, Jan 21

President Carter's claim that the American people will support his appeal for a boycott of this summer's Olympic Games in Moscow if Soviet troops remain in Afghanistan is strengthened by two recent public opinion polls.

The result of a survey published today by Newsweek magazine show that by a three-to-one margin, Americans favour moving the games out of Moscow to an alternative site if the Russians stay in Afghanistan. If the Olympics cannot be moved, the poll indicates, 55 per cent of those interviewed want a United States boycott.

The results also show the public agreeing with Mr Carter's assessment that if the Olympic Games are held in Moscow without American taking part, this could have an impact on future Russian foreign policy. In appealing for American athletes to stay away from Moscow yesterday, Mr Carter said he thought such a move might deter future Soviet aggression.

A second, less scientific poll conducted by the Washington Star showed 85 per cent of its readers who responded by post being in favour of a boycott.

Predictably, though, organizers of the American Olympic team and the athletes are less keen on the idea.

As a general rule, older athletes grudgingly support a boycott but young athletes, who expect to attend the games for the first time, understand why do not want to waste the training they have put in.

Before announcing his decision on President Carter's appeal, the United States Olympic Committee intended to poll all 10,000 Olympic hopefuls for their views.

'Sportsmen hostages': American athletes and sportsmen were being held hostage by President Carter to his political ambitions, Tass said today in the first substantial Soviet comment on the President's television announcement last night that he wants the Olympic Games transferred from Moscow or cancelled (Michael Binyon writes from Moscow).

Tass said the President, who boasted that he was a human rights champion, "has no use for the rights of others if these run counter to his political ambitions". A commentator, referring to the American hostages in Tehran, said that in spite of Mr Carter's repeated denunciations "the use of the sportsmen for political ends, the sportsman had assumed that role" in his present adventure.

"If one is to use sports terminology, one can say that the Olympic annals will recall Carter as a man who erected, rather than cleared, hurdles. Carter's decision will, in the long run, no doubt prove to be a goal he scored into his own net."

Western reaction: West European governments responded with caution today to President Carter's boycott call.

So far Canada and Britain are the only other members of the Western alliance to advocate boycotting the Moscow games. Other governments, turning over the issue again today at President Carter's bequest, pondered whether the impact of an Olympic ban on Moscow would outweigh the broken dreams of thousands of athletes. —Reuter.

New Afghan rulers try appeasement and threats

From Robert Fisk

Kabul, Jan 21

Mr Babrak Karmal's Government, in an attempt to appease Muslim fundamentalists, is to change the Afghan flag to include the colour green—the colour of Islam—but a directive from the politbureau promises that military action against tribesmen will be intensified.

This carrot-and-stick policy of trying to neutralise Muslim anxiety over the left-wing intentions of the Government, while threatening increased pressure against dissident tribesmen, is likely to set the pattern for the early months of Mr Karmal's new administration.

The disappearance of green from the national flag after the overthrow of the Daoud regime in 1978 was a cause of much contention among the clergy, and its reappearance will undoubtedly be welcomed.

Less acceptable to Afghans, however, will be Mr Karmal's promise to treat "with revolutionary decisiveness" what the party refers to as "terrorists, gangsters, murderers and highwaymen".

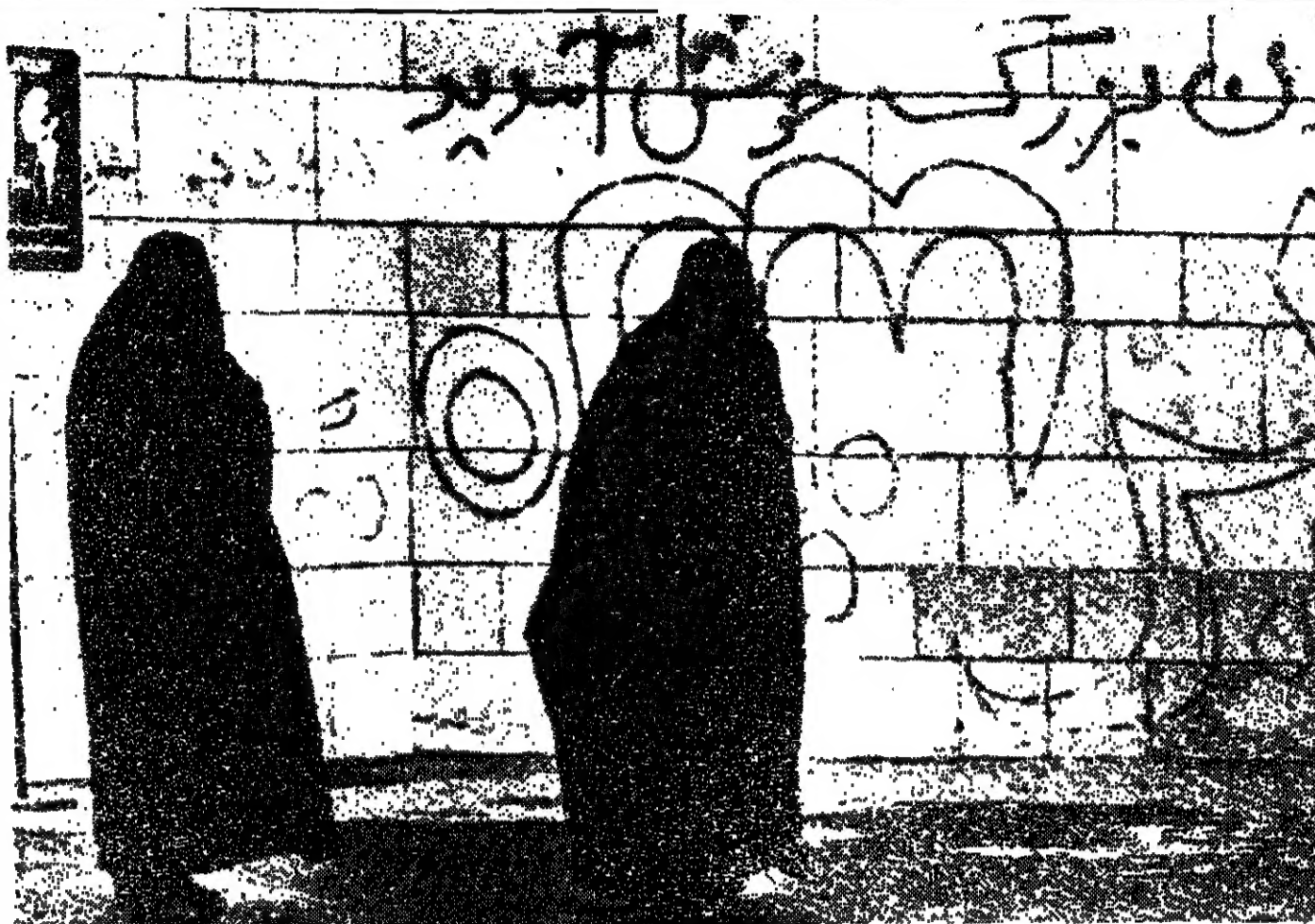
A politbureau statement also castigated Western press reporting of Afghanistan, mentioning not only the recent expulsion of American correspondents from the country but alleging too that British and other European reporters were guilty of "mudslinging".

Visas stopped: The Afghan Embassy in Delhi said today it was under instructions from the Government in Kabul to stop issuing visas to all journalists. An embassy official said instructions to issue visas were received on Saturday when the Government in Kabul decided to halt, for the moment, the issue of documents allowing Western journalists to work in Afghanistan. —Reuter.

The global scope of the recent Soviet moves, according to semi-official left-wing sources here.

Though unable to tell whether the Soviet Union had foreknowledge of President Tito's illness, the Peking leadership believed that Moscow will try to present the West with a fait accompli through military pressure on Yugoslavia and Pakistan, leading to access for the Soviet Navy to ports on the Adriatic and the Arabian Sea.

The West German news agency DPA quoted Mr Abolghassem Sadeq, Information Ministry Director responsible for foreign journalists, as saying "the Germans have by far underestimated the (United States-Iranian) crisis." —UPI.



Iranian women read slogans on the wall of a Tehran mosque calling for death to the Shah.

China fears Soviet drive in Asia and Balkans

From David Bonavia

Hongkong, Jan 21

China's decision to suspend political talks with the Soviet Union reflects her concern that recent Soviet moves in Afghanistan herald a major southward offensive by Soviet forces in Asia and the Balkans, according to semi-official left-wing sources here.

Though unable to tell whether the Soviet Union had foreknowledge of President Tito's illness, the Peking leadership believed that Moscow will try to present the West with a fait accompli through military pressure on Yugoslavia and Pakistan, leading to access for the Soviet Navy to ports on the Adriatic and the Arabian Sea.

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China shares the view of President Zia ul Haq of Pakistan that only the United States can muster forces strong enough to counter the Soviet Union's southward drive at short notice. Peking's own role, it is thought, will be to drum

up political support among its many friends in the Third World for any moves by the United States to stem the tide of Soviet expansion.

Now that several Arab states have announced their decision to boycott the Moscow Olympic Games, it is likely that China will do the same, although losing the chance of showing off the results of years of secret training will be a bitter blow.

Sport, however, takes a back seat to China's urgent sense of the need to bring the Nato powers and the Third World — particularly the Middle Eastern countries — together in joint opposition to further Soviet gains.

A serious worry for China is that if the Soviet Union succeeds in subduing Afghanistan, and later perhaps Pakistan and Iran, it will not be slow to sever parts of Central Asia from their political ties with Peking and set up an "independent" Republic of Eastern Turkistan.

The events in Afghanistan were particularly ominous for China, since they coincided with the ill health of President Tito, one of Peking's best friends in East Europe. The Chinese fear that if Moscow should attempt to subvert or control Yugoslavia after President Tito's death, Romania would be the next target.

Combined with the possible subjugation of Albania—China's former ally but now an outspoken critic of Chinese policy—such a strategy on the part of the Soviet Union would mean complete Russian control of the Balkans as far as the Greek frontier.

China's area of influence, the Balkans have in the past given Peking its most important political weapon against the Soviet Union in Europe—where the Nato leaders, with the exception of Mrs Thatcher, are seen by the Chinese as too little aware of the Soviet threat.

Dutch bishops accused by Vatican of weakness in upholding priestly celibacy

From Our Own Correspondent

Rome, Jan 21

The Dutch bishops summoned to the Vatican by the six cardinals in charge of themselves today faced, at best, a question of weakness in upholding priestly celibacy.

The summons came at the beginning of the second week of the Dutch church's special synod, which is due to end on Saturday. As yet, the meeting was private and the Pope said silently through the proceedings.

In keeping with the Vatican's information policy, no names are given in the summary of the session.

Supposedly, the question on celibacy came from one of the six cardinals, the Roman Curia, whom the Pope made members of the synod. Given the nature of the question, it may well have come from Cardinal Oddi, the conservative head of the Sacred Congregation for the Clergy.

"Had there not been, perchance" the Dutch bishops were asked, "a lack of clarity on the part of the hierarchy of the Netherlands on the problem of celibacy?"

One of the seven Dutch bishops replied that they had always defended celibacy in a "wise and unequivocal" manner, clearly excluding optional celibacy which some Catholics had proposed.

Another of them said that at present in the Dutch ecclesiastical province the vast majority accepted celibacy, and no candidate to the priesthood had said to the bishops that he was against permanent celibacy. The number of vocations was said to be slightly improving after the "dreadful fall of the last 20 years".

No doubt, the discussion was much fuller than the Vatican's summary suggests. The reported statements are misleading. It is true to say that the bishops, whether conservative or progressive, have been publicly

unanimous in upholding obligatory celibacy for their priests.

However, in 1970, the Pastoral Council of the Dutch Church voted strongly in favour of optional celibacy. There is little to suggest that public opinion has been transformed in the past decade. Indeed, there are certain indications that it has not. Up to 300 priests who have married work in parishes, though they do not say Mass.

Despite a degree of dispirited resignation among the more advanced echelons, because of the disputes with the Vatican, Dutch Catholicism still has retained its experimental side. The bishops do not necessarily share the bishops' views.

Vocations are certainly few, even if rising; seminarians are fewer still because the whole country has only one seminary. That is in the highly conservative bishopric of Roermond, where the bishop reopened the seminary after the rest of the bishops had agreed to send would-be priests to study theology in faculties of public universities.

However, Roermond has gone back to traditional methods, which were used to train most of the 1,500 to 2,000 Dutch priests who have abandoned the priesthood over the past two decades. Hence, the call for a return to the old pre-Vatican Council methods can, if imposed by the Vatican, hardly be expected to bring a great improvement.

So far, however, this is the only definite proposal known to have emerged from the council except for the suggestion from the Vatican for increasing the number of bishoprics. The logic of the plan for adding three more bishoprics to the existing seven is that the Pope's choice for the new dioceses would be more in keeping with the conservative thinking prevailing at the Vatican than with the Dutch bishops known to hold progressive views.

The Dutch are treating the proposal with great caution.

Burglars paint slogans to mislead police

From Our Correspondent

Vienna, Jan 21

A fire in a council office building in the Vienna suburbs yesterday evening which was at first thought to be a "left-wing terrorist bomb attack" was in fact an ordinary burglary.

The criminals had set fire to the office to destroy possible clues and painted left-wing slogans on the walls to try to mislead the police.

The police noticed that the name of a terrorist, whose release from jail was demanded by a hammer and sickle emblem had also been drawn wrong way round.

Summer time plan

Budapest, Jan 21.—Hungary will introduce summer time in April as part of an overall energy savings plan, the news agency MTI said today.

Right-wing death threat to Basques

From Our Correspondent

Madrid, Jan 21

A right-wing terrorist organization, the Armed Spanish Groups (GAE), claimed responsibility today for the bombing of a bar near Bilbao and threatened to assassinate four abertzales (Basque patriots) for every policeman killed by Basque separatists.

An anonymous telephone caller read out several communiques on behalf of the GAE to the daily *El Diario Vasco* in the bar, adding that the bar explosion which killed four and injured 13 others.

The caller denied that the GAE was responsible for several rape cases which had been blamed on right-wingers last week and that its security include members of the Civil Guard, the parallel police.

Authorities believe the four-for-one formula might apply to the bombing of the bar

Chaban-Delmas visit hailed by delighted Moscow

From Michael Binyon

Moscow, Jan 21

Mr Jacques Chaban-Delmas, president of the French National Assembly and a former prime minister, arrived here today at the start of a 10-day official visit at the invitation of the Supreme Soviet.

He is the first senior Western politician to come to Moscow since the Soviet intervention in Afghanistan, and his visit is seen as very significant.

The visit, part of a regular exchange with regular delegations, was arranged a year ago, and French sources say there was no question of its being cancelled. Mr Chaban-Delmas may be received by President Brezhnev or other Soviet leaders, and is expected to outline to them France's position on Afghanistan as well as to members of the Supreme Soviet.

He was quoted by the official news agency Tass as saying on

arrival: "The difficulties currently existing in the world give us an additional reason to come here and discuss topical matters". He had come to Moscow as a true follower of General de Gaulle's ideas, "as a man who wants nothing to disrupt the development of relations between France and the Soviet Union".

The Russians are particularly pleased that it is the French, with whom they have enjoyed good relations for nearly two decades, who have symbolically asserted Europe's independence of America by continuing with the visit.

Two Tass headlines today succinctly sum up the Soviet feelings: USSR-France: reliable partnership and "French diplomacy: traditional, realistic". The first headline is in pointed contrast to President Brezhnev's recent assessment of President Carter as an "absolutely unreliable partner".

Congress asked for early Bill to arm Pakistan

Continued from page 1

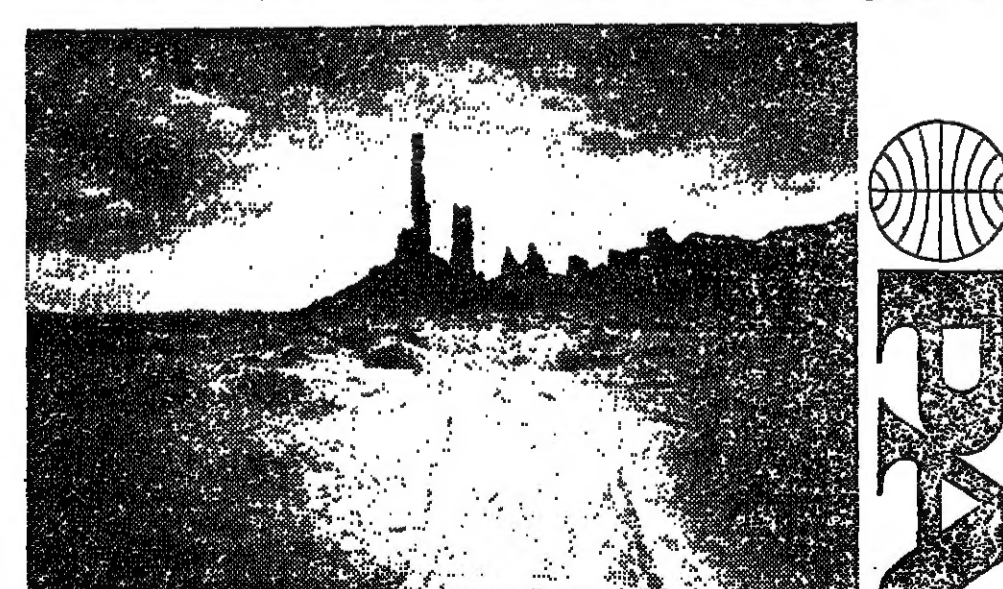
region will be dealing with the situation posed by Soviet aggression in Afghanistan. "We must help the regional states develop a capability to withstand Soviet pressures."

He named India, Pakistan, Sri Lanka, Bangladesh and Nepal in this context.

"In this new situation, we are proposing to the Congress a military and economic assistance programme to enable Pakistan to buttress its defences," Mr Carter said. This was a matter of the "most urgent concern" and he strongly urged "the earliest possible approval" by the House and Senate.

"We must pay whatever price is required to remain the strongest nation in the world," he said. In this context, the President reaffirmed his recent decision to ask Congress to approve a 5 per cent increase in funding authority for defence next year.

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OVERSEAS

Russia knows that this is not the time to try to entice Yugoslavia back into Soviet fold

From Michael Binyon
Moscow, Jan 21

Soviet television interrupted its main evening news bulletin last night to report the amputation of President Tito's leg. The report of any illness or operation on a leading statesman is extremely rare in the Soviet Union, and reflects the intense concern with which the Russians are watching the situation in Yugoslavia.

On Friday President Brezhnev sent a telegram to President Tito wishing him a "early and complete" recovery from his illness, and expressing his hopes that the Yugoslav leader would still guide his country's policy towards the Russians for a long time yet.

The telegram was a sincere reflection of Soviet feelings at the moment. In the present tense world atmosphere created by the Soviet intervention in Afghanistan, the last thing Moscow wants now is a succession crisis in a country that has long had sensitive relations with the Soviet Union.

The Russians know and respect Marshal Tito, a man who personally took part in the Bolshevik Revolution, something that the present Soviet leadership cannot boast.

They have come to accept that under his rule Yugoslavia must be considered a special case among communist countries. They have never accepted the ideological heresy of his brand of communism. They have often been angered by Yugoslavia's non-aligned foreign policy, and they have not given up the idea that the country might one day be enticed back to the Soviet fold. But now is not the time.

Indeed, the Russians are unlikely to make any move that could be interpreted by a suspicious Yugoslav public as putting pressure on the strategically placed Balkan state for a long time after President Tito's death.

They could exploit the simmering differences between their close ally Bulgaria and Yugoslavia, they could attempt to encourage factions in any future collective leadership that looks towards Moscow, they could offer substantially larger trade incentives to tie Yugoslavia more closely to them economically. But they will first wait to see how things develop if Marshal Tito dies.

In some ways Yugoslavia's status in Soviet eyes is comparable to that of Finland—dominantly close to one half of Europe, but of vital strategic and political importance to the other half.

Three days ago, Tass dismissed as "crude, provocative and false" the contention that there was a Soviet threat to Yugoslavia, and said such statements indicated the obvious intentions of NATO to interfere in Yugoslavia's affairs. Relations between the two countries, Tass said, were marked by "profound friendliness".

That this is officially true is because of President Tito's ceaseless efforts during his 17 visits to Moscow to ensure that the Kremlin endorses the Yugoslav position.

The phrasing of communiqués on such visits is a matter of extreme delicacy. But it appears that the last visit here by the Yugoslav leader last summer was one of the most successful: the Russians publicly accepted his contention that the two countries followed different paths to socialism, but this need not bar the way to friendly relations.

On world issues Moscow still has sharp differences with Yugoslavia, which has taken the lead in opposing Cuba's and Moscow's attempts to move towards Moscow.

The Russians were particularly stung by Yugoslavia's condemnation last year of Vietnam's intervention in Kampuchea. A few days ago, they also sharply attacked those communist parties, notably the

Yugoslavs, which opposed the Soviet intervention in Afghanistan. Although such criticism hurts, especially coming from a communist country, Moscow knows it is part of the independence which President Tito wrested from Stalin after the Second World War and which is now accepted by the West as an important factor in present-day Europe. So, too, is Yugoslavia's friendship with China.

But foreign policy, though an irritant, is less worrying to the Soviet leadership than the ideological differences and the example of Yugoslavia's communism in action at home. Such an example, the Kremlin always fears, may be contagious in the Soviet Union.

The main criticism levelled at the editor-in-chief of Pravda three years ago, when his paper printed surprisingly critical articles on the Soviet economy, was not that this aroused comment in the West, but that the articles were reprinted in Yugoslavia—our ideological adversaries.

Ideology, however, has not stood in the way of a growing and important trade link between Moscow and Belgrade. Last year, it was estimated that mutual trade could reach \$21,000m (£340m) in the next five years.

To the Russians, always short of hard currency to import consumer items from the West, Yugoslavia is a valuable supplier of better goods for the average Russian shopper, and a way of buying Western goods made in Yugoslavia under licence without having to spend hard currency.

The Russians are sure to do their best to promote this trade link. They probably have their eye on the possibility of a post-Tito collective leadership. But they are aware that the world is now watching their behaviour towards Yugoslavia. And they cannot afford a second Afghanistan yet.

From Nicholas Ashford
Madhambudai, Jan 21

During the day in this corner of Southern Rhodesia the temperature usually soars from the 100 degree mark. Yet despite the oppressive heat Lieutenant-Colonel Middle Nyathi, commander of the first battalion of the second brigade of the Zimbabwe African People's Revolutionary Army (ZAPU), insists on wearing his Soviet Army fur hat, complete with a red-backed badge bearing Lenin's portrait, at all times.

In the absence of any other forms of insignia on his Russian uniform it was explained, the only outward symbol of his rank. Only a handful of other officers, including the unit's political commissar, wear similar hats, which were originally designed to protect Soviet Army soldiers from the rigours of a Russian winter.

Colonel Nyathi is in command of the only formal military detachment from either wing of the Patriotic Front Alliance to have reported to one of the 14 assembly areas in accordance with the terms of the ceasefire agreement.

On the last day of the ceasefire assembly period his battalion marched in column of two into this assembly area, code named "Lido", situated about 80 miles west of Bulawayo and only about 15 miles from the Botswana border.

There were 475 men in his unit, all kitted out in an assortment of Russian, Cuban, East German and Libyan uniforms and carrying with them an impressive array of weaponry, including some heavy mortars and two 14.5 mm and two 12.7 mm anti-aircraft machine-guns.

It was an impressive and somewhat daunting sight, remarked Major Brian Hewitt, of the New Zealand Army, who is in charge of the 23 New Zealand and British members of the Commonwealth Monitoring Force based at "Lido".

"We were naturally a bit wary about having to deal with such a large and organized force at first, but I now reckon we are lucky to have them here. They are very disciplined and are trying to instil some of that discipline into the 200-odd ZAPU guerrillas we have here."

Colonel Nyathi and the ZAPU officer, Lieutenant-Colonel Albert Zikhalo, are very about revealing too much about the force's activities. However, it appears it was trained in Zambia (although some individuals were also in



Bullring tragedy: Rescue workers mingling with bewildered survivors in the debris of five grandstands, which collapsed at a Colombian bullring on Sunday, killing at least 160 people and injuring more than 500. The disaster occurred in the Caribbean coastal city of Sincelejo during a traditional annual

fiesta, when young bulls are fought both by amateurs and professionals. Police said the stadium was overcrowded and the temporary stands had been weakened by hours of torrential rain. "It just collapsed like a house of cards", said a police officer. "People were screaming under the

debris and we were nearly swept away in the panic." Many of the dead, including numerous children, were trampled to death in the rush for safety. Newspaper reports said the death toll might rise to 300.

Zipra regulars are a well organized and disciplined force

A fur hat in the heat is a sign of authority

From Nicholas Ashford
Madhambudai, Jan 21

During the day in this corner of Southern Rhodesia the temperature usually soars from the 100 degree mark. Yet despite the oppressive heat Lieutenant-Colonel Middle Nyathi, commander of the first battalion of the second brigade of the Zimbabwe African People's Revolutionary Army (ZAPU), insists on wearing his Soviet Army fur hat, complete with a red-backed badge bearing Lenin's portrait, at all times.

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Tanzania and the Soviet Union) and crossed over the Zambezi River into Southern Rhodesia close to the Victoria Falls last August.

From there the force gradually made its way south towards the main road and railway line between Bulawayo and the Botswana border. The officers did not say whether similar units were in existence, but according to sources in Bulawayo there are as many as 6,000 Zipra forces still based in Zambia.

Unlike guerrillas in other assembly areas, the regular Zipra troops follow a strict military routine in the camp. There are daily physical training sessions, drill parades, political classes and discussions on tactics.

Relations between the Zipra commanders and the Commonwealth forces seem to be excellent, so much so that Major Hewitt has even persuaded them to allow an officer from the local police station, Section Officer Bruce Canale, to pay regular visits to the camp. "It is essential the two sides start talking now while we are still here", Major Hewitt said.

Zipra has drawn up a written agreement between Zipra and the police for dealing with dis-

ident guerrilla groups in the area. One section of the agreement states that if the police and Zipra find armed dissidents who refuse to be disarmed they will be shot.

"As far as we are concerned the ceasefire is going well", but the situation is tenuous, said Major Hewitt.

Back in Bulawayo Commander Titus Bindu, the principal Zipra liaison officer, also expressed satisfaction with the ceasefire, but said there were a number of problems over which it could break down. In particular he was concerned about a possible repetition of an incident that took place near Lupatse, 110 miles north of Bulawayo, about 10 days ago in which the police and security forces killed seven Zipra guerrillas.

While he conceded there were still several hundred guerrillas in the region who had not assembled largely, he said, because communication with them was difficult, he felt that less drastic action should be used against them if possible.

Another serious problem in his view was the presence of South African troops at the Beit Bridge, a point which also worried Colonel Nyathi. "The South Africans shouldn't be there. It is against the Lancaster House agreement",

Cairo 'delay' in opening flights to Tel Aviv

From Christopher Walker
Jerusalem, Jan 21

Indications are growing that the new crisis between Israel and Egypt over the thorny subject of Palestinian autonomy may seriously impede progress towards the proper normalization of relations between the two countries which is due to begin at the weekend.

In a front-page story this morning, the Hebrew daily, *Al Hamishmar*, quotes General Taha Maghoub, the official in charge of normalization at the Egyptian Foreign Ministry, as stating that the national airline, Egyptair, has decided not to open an office in Israel, nor to begin flights to Tel Aviv next week as previously scheduled.

The agreement that both El Al and Egyptair would start flying regularly between Cairo and Tel Aviv on January 27 was one of the few points of agreement to emerge from the unsuccessful Arava summit meeting between President Sadat and Mr Menachem Begin, the Israeli Prime Minister.

General Maghoub's comments follow an official announcement from Cairo late last week that the Egyptian Government has formally approved a parliamentary recommendation to slow down the pace of normalizing economic and cultural relations with Israel.

The Arab affairs correspondent of *Al Hamishmar* also quotes the Egyptian general as stating that El Al will not be permitted to operate in Cairo, and that the entire subject of flights between the two countries will be "subject to the articles agreed to by both sides in the Camp David agreement."

Among senior Israeli sources, there was speculation that El Al will be left to fly the new route alone, having come to some financial arrangement with the Egyptians. This would extricate Egyptair from the possibility of crippling commercial sanctions from the rest of the Arab world.

Any such move would be a serious setback to the process of normalization, which is eagerly awaited by an Israeli public.

In a separate development, it is understood that a team of experts from the Israeli Foreign Ministry is in Cairo, and is likely to discover any suitable building for either the proposed Israeli Embassy or the residence for the new ambassador.

As the corresponding team of Egyptian experts has not yet arrived in Israel, it is unlikely that the formal opening of diplomatic relations will be a low-key affair with both teams housed in temporary premises.

The Israeli Government has also once again defied criticism of its expansionist policy in the occupied territories, and announced plans to intensify its ties with the World Zionist Organization, to establish two more Jewish settlements on the West Bank.

US officials seriously concerned over Moscow's intentions

From Our Own Correspondent
Washington, Jan 21

American support for Yugoslavia's independence and territorial integrity, has been reaffirmed here but the State Department spokesman refused to be drawn on questions of what might happen when President Tito dies. He reminded reporters of a Government statement to that effect which was issued when President Tito was here on a state visit two years ago.

American officials are now seriously concerned about Yugoslavia. The Russian invasion of Afghanistan is a nasty precedent, and although American reaction to that event is chiefly directed at containing the damage in the Middle East, it is hoped here that a show of sufficient firmness over Afghanistan will deter the Russians from meddling in Yugoslav affairs.

Observers here think that events in Yugoslavia when Marshal Tito dies will be decided by the unity not only of the Communist Party and the Government, but above all of the Yugoslav Army. The threat from the East should help national unity, it is believed here.

The degree of support offered from the West will also be important. The European Community is rushing to complete its agreement with Yugoslavia and Americans and Western Europeans leave no doubt

of their concern for Yugoslav independence.

All this may not be enough. Officials here repeatedly emphasize the long-term effects of the weak and short-lived Western response to Soviet aggression in Hungary in 1956 and in Czechoslovakia in 1968. There is, furthermore, the unfortunate manner of President Carter's remarks about Yugoslavia during the 1976 elections.

He was asked about his ideas on the subject during a televised debate with President Ford that his reply was clearly carefully considered. The full quotation is as follows:

Question: "The next big crisis spot in the world may be Yugoslavia. President Tito is old and sick, and there are divisions in his country. It is pretty certain the Russians are going to do everything they possibly can after Tito dies to force Yugoslavia back into the Soviet camp. But on Saturday, you said, and this is a quote: 'I would not go to war in Yugoslavia even if the Soviet Union sent in troops'."

"Doesn't that statement practically invite the Russians to intervene in Yugoslavia?" Mr Carter replied: "Over the last two weeks, I've had a chance to talk to two men who have visited the Soviet Union, Yugoslavia and China. One is Governor Averell Harriman and the other one is James Schlesinger."

"Mr Harriman talked to the leaders in Yugoslavia, and I think it is accurate to say that there is no prospect, in their opinion, of the Soviet Union invading Yugoslavia should Mr Tito pass away. The present leadership there is fairly uniform in their purpose, and I think it's a close-knit group, and I think it would be unwise for us to say that we will go to war in Yugoslavia if the Soviets should invade, which I think would be an extremely unlikely thing."

"I have maintained from the very beginning of my campaign, and this was a standard answer that I made in response to the Yugoslavian question, that I would never go to war, become militarily involved, in the internal affairs of another country unless our own security was directly threatened. And I don't believe that our security would be directly threatened if the Soviet Union went into Yugoslavia. I don't believe it will happen. I certainly hope it won't."

"I would take the strongest possible measures, short of actual military action there by our own troops, but I doubt that that would be an eventuality."

This statement has been of considerable embarrassment to senior officials ever since. It has never been disavowed, the way President Carter's promise "never" to impose an embargo on the export of grain has been disavowed.

Mr Chai said the North might undertake a military attack if there were social confusion in South Korea.

His charges came three days after he said he was considering a North Korean proposal to mount a false peace offensive in an attempt to subvert the South after the assassination of President Park Chung Hee last October.

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Seoul accuses North of false peace offensive

Seoul, Jan 21.—President Choi Kyu Hah of South Korea today accused North Korea of mounting a false peace offensive in an attempt to subvert the South after the assassination of President Park Chung Hee last October.

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McCartney offer to meet loss of cancelled tour

Tokyo, Jan 21.—The Tokyo district prosecutor's office said no decision had been reached on whether to charge Paul McCartney, the former Beatle, or deport him on allegations of trying to smuggle marijuana into Japan.

Several hundred fans gathered outside the Budokan martial arts hall where Mr McCartney and his group Wings had been scheduled to begin their 11-concert tour today.

Mr McCartney is reported to have offered to reimburse Japanese promoters for their losses on the cancelled tour.

Mr Takahiro Kawaguchi, vice-president of the 4,000-member Complete Fan Club, said his organization was asking members to sign a petition to be sent to Mr McCartney to show their solidarity with him.—UPI.

Iowa wants a man who will hold the line against price rises

From Patrick Brogan
Grinnell, Iowa, Jan 21

A deathly hush settled over Iowa yesterday afternoon. The television men turned off their cameras. The candidates turned off their smiles. The campaign workers turned from their task and the entire male population turned on the television.

Some women did so, too, but not many. Football remains a man's game, and yesterday was Superbowl Sunday, when the last two teams fought it out in the sun in Miami.

Iowans enjoy politics and find the national debate over the Presidential nomination, which is being held here, fascinating and important. But football has their hearts, as it has the hearts of most Americans, and politics were abandoned.

Mr George Bush, one of the most serious of Republican candidates, threw a Superbowl party in Des Moines. Five hundred people watched from their task and Mr Bush appeared at half-time, though not to campaign. The Pittsburgh Steelers won for the fourth year in a row.

Afterwards, in Grinnell, the children were packed off to bed and it was back to politics. The owner of a local factory, Mr Sharp Lannom, drew an analogy between such domestic scenes and international affairs. "If you mean it, when you tell the kids to go to bed, and if the kids learn when you mean it, then off they go. If you don't really mean it, they know that you don't, and they won't."

"It's the same with the Russians. They don't believe Carter really means it. They've seen him back off too many times before."

The President had appeared on television that morning, saying that if the Russians did not pull out of Afghanistan in a month, the Olympics should be boycotted. "What's all this ultimatum nonsense?" asked Mr Lannom. "He should have said: 'Right, that's it, no Olympics' and they might have believed him. Who can take him seriously?"

He is a fan of Ronald Reagan's. He and his wife had watched Mr Reagan address a televised rally in Des Moines on Saturday night, and were much impressed by his performance. "He's got something, I suppose," he said, "that comes out of the screen." Mrs Lannom said, "We need someone with real leadership, with guts," Mr

Lannom said, "and Reagan's got it."

But might it not be that Mr Reagan is not a leader at all, just an excellent actor?

"That's right, he's an actor. That's what America needs." The moment of Reagan's certainty dissolved. Neither was yet really decided who to vote for this evening.

They suspected that Mr Reagan was merely an aging actor, they feared that Mr Bush was not forceful enough, they had enjoyed Senator Howard Baker meeting here on Friday but resisted his charm.

As proud Republicans, however, they are delighted at the quality of their various candidates compared with those of the Democrats. Mr Lannom was particularly scathing about Senator Edward Kennedy. "I could never trust a man who cheats on his wife. It's the worst thing a man can do. You can't trust the fate of the world, nor just America, to a man who would do that."

Across the tracks, the Democrats have much the same preoccupations.

Mrs Kennedy gave a stunningly effective and very emotional defence of her husband when cornered by an airport crowd at an airport last week. She believes his account of Chappaquiddick. No one can measure what effect the incident will have on the polls and observers here, meaning practically everyone in the state, are more directly interested in organizational questions.

Mr Douglas Fraser, president of the United Auto Workers has come out for Senator Kennedy. He has campaigned for the senator here and has called out the workers—there are many plants in Iowa making parts for cars.

Will they answer when he calls on them?

A lot of people here think that they will not. This is not a primary. People must turn out in the cold of the evening and spend a couple of hours with their neighbours, choosing delegates at three remove from the national convention. It is all rather remote. Ten per cent of Democrats turned out in 1976 and Mr Carter got less than 30 per cent of their votes.

He was lunched towards victory, therefore, with about 3 per cent of the Democrats

audience to their feet on Saturday with the claim that he did not care if foreigners liked America, so long as they respected her. Time was that Americans wanted to be liked. Now they want to be respected, and some control over the price of heating oil.

Grinnell, 1,500 miles from the ocean, west and east, listening to the candidates and watching events, has discovered that these two objectives may be beyond their grasp, and is horrified at the discovery.

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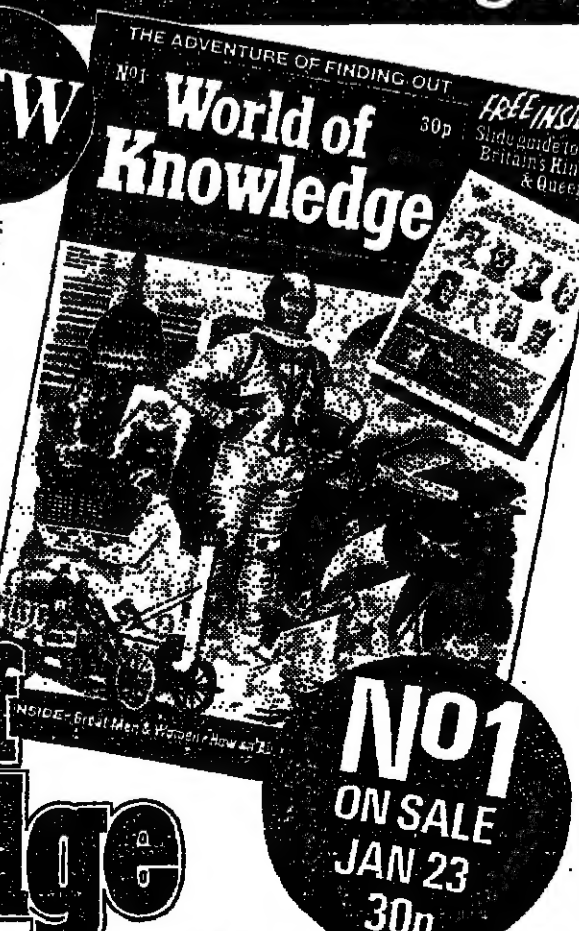
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OVERSEAS

Move to leave blacks out of S African constitution criticized

From Eric Marsden
Johannesburg, Jan 21

Spokesmen of all South Africa's racial groups strongly criticized the Government's plans for a new constitution at a five-day hearing of the Schlebusch Commission in Cape Town, which has just ended.

The commission, headed by Mr. Alwyn Schlebusch, the Minister of the Interior, includes five members of opposition parties. Under the proposed new constitution, drawn up two years ago, there would be separate parliaments for the white, Indian and Coloured communities, but blacks would have to continue to express their political rights in the various black homelands.

The exclusion of blacks from the constitution has been the main stumbling block to acceptance of the new "dispensation" the Government prefers to call it.

A memorandum by the Progressive Federal Party, the main opposition group in the present all-white parliament, submitted a memorandum to the commission on party policy, proposing a federal constitution on a geographical basis.

It was based on "the non-negotiable principles of full citizenship for all South Africans regardless of race, and no race domination or discrimination in any form."

There should be a universal adult franchise "at some future date", a multiracial federal parliament, state legislative assemblies open to all races, proportional representation at all levels of government, and a minority veto on the vital levels of decision-making.

The New Republic Party, which grew out of the former United Party, produced alternative proposals which it claimed would satisfy the aspirations of all races while removing white fears of domination by a "one man one vote" system.

The reality of South African society was recognized. All groups should govern themselves to the maximum extent possible and also have a say in matters of common interest.

One of the strongest attacks came from Dr. A. D. Wessenaar, of the Sanlam Bank, a prominent Afrikaner businessman. He said that whites were being unrealistic if they thought they could keep control of the country in their hands forever. They should seek the most acceptable form of transition, aiming to preserve control in "educated, responsible hands, regardless of racial differences."

He proposed a constitution based on a strictly qualified franchise, with three voters' rolls. Eighty-five per cent of MPs would be elected by voters on the main roll, with the highest educational and tax-paying qualifications.

Professor Ben Vosloo of Stellenbosch University, the influential Afrikaans school of political thought, said that to exclude blacks living in white urban areas from the constitutional plans was like Hamlet without the Prince. A Stellenbosch colleague, Professor S. Terreblanche, thought that a whites-only parliament could no longer be defended.

The South African Indian Council submitted counter-proposals that, for an interim period of 10 years, there should be a single legislative assembly which, as well as whites, should have an agreed number of Indian, Coloured and Black representatives.

Dr. A. M. Moolah, the council's chairman, said there should ultimately be a unitary state patterned on a single common political society.

Inkatha, the Zulu cultural group which is South Africa's largest black organization, issued a strong call for a single state "with one defence force, one passport, one economy and one nationality for all South Africans."

Nearly everybody giving evidence has spoken of the need for urgent action, but this does not seem likely. Mr. Schlebusch pointed out yesterday that his commission has to hear evidence from more than 200 organizations and individuals, and has far to go before it can report. It is unlikely he will be able to prepare even an interim report until some time next year.

Canadians expel three Soviet officials

From John Best
Ottawa, Jan 21

Three officials of the Soviet Embassy in Ottawa are to be expelled from Canada for espionage.

Miss Flora MacDonald, the External Affairs Minister, said today that the three had obtained classified information from an American citizen "in a sensitive position in his own country."

The American was not named but Miss MacDonald told a press conference that he was not in the military or civil services. He was, however, "in the kind of establishment that would have been utilized by the Government."

The three Soviet Embassy officials—Captain Igor Bardeev, military, naval and air attaché; Colonel Eduard Aleksanjan, assistant military attaché; and Mr. V. I. Sokolov, the military attaché's chauffeur—have to leave Canada within one week.

The expulsions came less than two years after the last big espionage case here, when 15 Soviet diplomats were sent home.

Miss MacDonald told reporters that an investigation by the Royal Canadian Mounted Police disclosed that within months of the expulsions in February, 1978, the Soviet Embassy had resumed "a pattern of activity violating basic standards of diplomatic behaviour."

The embassy had been repeatedly warned that Canada would not tolerate such activities.

The American citizen involved in the case received "substantial" payments for the information he supplied. Meetings between him and the three Soviet officials took place over a period of 16 months, in the Ottawa area. "Traditional" signal arrangements were used as well as dead letter boxes.

The police worked on the case with the Federal Bureau of Investigation, who Miss MacDonald said were helped in their investigation by the American citizen. She said it was up to American authorities to decide whether to charge him.

Miss MacDonald said the Canadian Government was "particularly disturbed" that the Russians would use Canada as a base to carry on spy activities against the United States.

Mr. Alexander Yakovlev, the Soviet Ambassador, "of course denied" the espionage accusations when Miss MacDonald met him earlier today to inform him personally of the expulsions. He agreed, however, to convey Canada's concern to Moscow. "I think he was genuinely surprised," Miss MacDonald said.

She also said that the expulsion order was not related in any way to the Soviet intervention in Afghanistan.

Fashion

by
Prudence Glynn

One of the ongoing criticisms of the menswear trade is that while it is all very well to be smart if you are slim and young, the older man may have more money or more inclination to spend, let me point out—are short on choice. In fact that situation has changed greatly over the past few years and I think these clothes confirm that. Pierre Sangen is a name new to me, though



Photographs by Sanders Nicolson

since he has 1,700 outlets in this country which range from Harrods to "Owner-driver stores in the High Street." I should have noted him. Peter Sangen, who signs the collections, is the grandson of a master tailor of both men's and women's wear in Jersey and in 1971 he took over control of the company. Most of the clothes, and jerseys, are still made on the island with the rest on the mainland. Sangen has always offered style

plus size, since he runs from small through to a 44" chest. The winner of the Worshipful Company of Frame Knitters Gold Medal and the Silver Medal awarded by the City and Guilds in 1950 at the Leicester College of Art and Technology in 1950, the 39-year-old Mr. Sangen, is in the right position to tell producers what he wants. What he wants now is a fully colour-co-ordinated and fashionably casual range "for man with

Communists greet plan for 'China office' in Hongkong

From Richard Hughes
Hongkong, Jan 21

Chinese Communist representatives in Hongkong have welcomed a recommendation by the Hongkong Advisory Committee on Diversification (ACD) that a special "China office" be established to consolidate growing cooperation with Canton authorities and joint industrial and investment projects.

The Hongkong Government has a role to play in facilitating a series of dialogues between the relevant trading and political authorities in China and the local and international business community," the ACD said.

"It must try to identify more closely opportunities for co-operative effort which should be followed up, and more clearly those requirements for public services and public works which flow from these opportunities."

At present contacts for joint cross-border ventures are discussed by Hongkong Government departments and Canton representatives or Peking resident companies in Hongkong like the China Resources Department, Ng Fung Hong, the Bank of China and the New China news agency.

The proposed China office could work closely with the Hongkong Political Adviser's office and organize immediate consultations with visiting Chinese missions.

Resident Chinese Communist representatives have already passed on the ACD proposal to Peking and Canton, and indicated that the new office would certainly benefit both China and Hongkong.

Not surprisingly, the Chinese Nationalist press in Hongkong is criticizing the increased co-operation in communications, trade, investment and industry between Hongkong and China.

An editorial in the Kuomintang daily, *Hongkong Times*, today said that "Chinese Communists are gradually taking over Hongkong's markets and assimilating its export business. An economic crisis will soon confront Hongkong."

Hongkong authorities and international companies based in Hongkong do not treat this criticism seriously.

"The increasing use that is likely to be made of Hongkong as an outlet for China's exports and as a port through which China's imports are channelled will enhance Hongkong's re-emerging role as an entrepot," the ACD report points out.

"A number of manufacturing enterprises have already been established by Hongkong firms in border areas recently designated by Canton under compensation trade arrangements and many other ventures are under active investigation."

"Also Hongkong's existing role as an outlet for China's oil products will be developed by the discovery of new oil fields in the South China Sea."

Others may be involved in Tokyo spy ring

Tokyo, Jan 21—Several other

people connected with Japan's Self Defence Force may be involved in the recently uncovered Soviet spy ring, security officials said tonight.

Authorities regard the unmasking of the spy ring, allegedly led by a retired major-general, Mr. Yukihisa Miyagawa, as the worst espionage scandal in Japan since the Second World War.

Mr. Miyagawa, aged 58, and two serving officers were arrested last Friday and charged with passing military secrets to the Soviet Union.

Colonel Yuri Kozlov, a military attaché at the Soviet Embassy believed to be the contact for the spy ring, flew to Moscow with his wife less than 24 hours after the arrests.

Leading article, page 15

Gandhi attack on rich nations

From Richard Wigg
Delhi, Jan 21

Mrs Indira Gandhi struck an impatient, authoritarian tone when she spoke today at a United Nations conference intended to thrash out with the rich industrialized countries ways to improve the pace of industrialization among the "have-nots."

Making her first important speech since the new Prime Minister, Mrs Gandhi said the rich countries must understand that the industrialization of the developing world "is an inevitable process of history."

She said: "If we seek help it is not as charity but rather as part of a process to undo the injustices of ages and bring greater equality and security."

What was needed for the rich countries was "a more determined political will."

She said the existing system, "with the world divided between the industrialized haves and have-nots, no longer commands acceptance."

President Reddy, inaugurating the third conference of the United Nations Industrial Development Organization (Unido) thought, too, that the world's large measure from stemmed in large measure from the "insecure instability of an economic order which is not responding to the stimulus of change."

Dr Kurt Waldheim, the United Nations Secretary General, told the conference this year could be decisive for the international economic situation. "What is at stake," he said, "is global prosperity and world peace."

The conference opened in a sombre mood against the back-

ground of a deteriorating world economic climate, with south Asia the centre of tense political confrontations which could easily force the developing countries of the region to turn money and effort from industrialization to costly defence.

Many delegates from the richer countries fear the three-week session may turn into another of those contests between the industrialized and the "have-nots" which have been avoided only by the industrialized and the oil rich Middle East countries.

Agree on ways of achieving a sufficient pace of advance by the developing countries to win "at least" 25 per cent of the world's industrial output by the year 2000.

The Lima target "set when Unido is nowhere near being achieved. If the pace set so far is continued on the most optimistic estimates, the experts have calculated, only half the target figure will be achieved by the end of the century."

At present, the developing countries, where 70 per cent of the world's population live, account for nine per cent of world industrial output.

Mr Salim Ahmed Salim, president of the United Nations General Assembly, said today that the situation is even worse, for within the developing world itself 10 countries have, since 1966, accounted for 70 per cent of the growth in industrialization of the entire Third World.

Often these countries too had suffered from "industrialization," he said, lacking capital goods

industries to make them self-reliant and their economic progress self-generating.

True industrialization for these countries would mean providing employment for the population and satisfying basic needs.

Dr Waldheim, drawing on some of the background studies prepared for the conference, argued that present industrial restructuring in developed countries should be seized upon as an opportunity to incorporate a more equitable and efficient world economic order.

India, like many other developing nations, has seized eagerly on recent OECD and EEC studies which emphasize how the developing world can provide not only markets but extra jobs if the richer nations do not shortsightedly close their doors.

Dr Abd El-Rahman Khane, Unido's executive director, later told the conference what was needed was bold leadership "not off-repeated excuses" that proposals were politically impracticable. Evidently he had the industrialized "haves" in mind.

Time was running out, he said, for decisions were needed from this conference and from the General Assembly special session later this year on a new international economic order.

Dr Khane estimated that developing countries alone by the year 2000 might require as much oil as was now consumed by the entire world.

Finding new supplies of energy from within the developing countries is likely to be another theme of the Delhi meeting.



It is popularly supposed that women are the valuer sex, in a constant tizzy about gained ounces or unlost pounds and causing havoc in shops by their determination to squeeze themselves into one size too small and then take it back because it does not fit or castigating the salesgirls who are dazed at the prospect of trying to fit so non-stock a shape.

On the first point, I am not so sure. Circumnavigating Lord Goodman at a crowded party I remarked pleasantly that he always made me feel like Vasco de Gama. He gave me, I thought, a distinctly hooded look. Similarly, in paying the ultimate compliment, as I thought, by telling a man with glossy dark brown hair, a fine aristocratic head and staunch other proportions that he reminded me of my horse I floated a lead balloon; and a project undertaken in rather youth to support my theory that very tall men are silly; big men nice; stout men shrewd; short men industrious; and ugly men best company also flopped.

Somehow the subjects sensed what I was up to and one and all they melted away into the greenwood, or possibly the Garrick Club, like so many Merrie Men.

On the second point one must make a division. Men are both much more demanding, refusing such stock answers as "There's no call for that" (how do they know, if they have not got it?) insisting on properly trained service—and getting it, and far more conscious of quality and value than women shoppers.

But with a bespoke suit (this means you get fittings) from the Savile Row end of the trade costing anything from £500 to £1,000 where does the funny-sized man shop?

He shops at Marks and Spencer, the first store to introduce matching jackets and trousers as opposed to separates. Some competitors think that this can lead to disaster colouring between delivery batches. M & S assure, no. Modern technology has enabled them to perfect a consistent colour, so if you can only afford one half of the suit this month and the other next you need not worry. Incidentally, suits still comprise the majority of the whole menswear market.

The reason is obvious. In times of economic uncertainty a suit suggests that you are employed, even by an advertising

agency—remember all those flowered shirts and flowered ties they were responsible for in the Sixties?

The M & S shopper starts out on a £45 duo in a polyester/wool blend with a hopsack texture. "The trouble with most manufacturers is that they seem to think all men are six feet plus, or if he's shorter he's going to be older and have a paunch."

Not borne out by Marks & Spencer's best sellers. Their man is 5ft 9in or 5ft 10in, with a chest 39in to 40in, or 41-42. His waist is 34in or 36in. Three lengths of jacket add up to a permutation of 200 options (I will take their word for it) and having got that job via the £45 number he shifts into the upper echelons in all wool at £65.

If he is tall and thin and plays golf—all that stooping, chill on the kidneys from the gap at the back—his best bet is High and Mighty, a chain of 20 shops in this country (they are also in Germany, Holland and America) which has most unfairly become associated in the public mind as only fit for fatties, who are so grateful for anything in which to upholster their sofa-sized persons that they will dispense with fashion.

I do see that if you offer a size range up to 58in chest and call it King Size you are liable to get stuck with a lot of stale jokes about King Kong. High and Mighty started out as a mail order business in the North in 1956, recognized a need in the market, and in 1959 opened in Edgware Road, London. Every branch has a tailor on the premises to do swift alterations.

I was more interested in the tall problem. With a population better fed and better exercised we are getting taller, but still slim with it. What does this new race of gods use for cover. Again, it seems, High and Mighty, who can manage up to 7ft 6in in an emergency, though at the risk of introducing just that note of levity they dread, one must suppose that that alteration kept the tailor up all night. They also say that they try very hard to inject a modern fashion style into their ranges for young, tall and slim men, which may be why they have failed to please the high and mighty gentlemen I consulted on these matters—6ft 7in and belted exult no less; perhaps it is too fashionable for some. He says he has no problem with socks, shoes and underwear. Everything else has to be made.

Most probably if he is only somewhat out of the norm he will shop at Austin Reed, which has 44 branches in this country. Austin Reed ran off the him a choice of 2,500 suits, a made to measure (which means no fittings) service, alterations and above all a total commitment to super service.

"We rely," says Peter Reed, who heads the business now comprising Chester, Barrie, Honourbuilt, Harry Hall and Stephens on reliable and experienced salesmen. They are crucial. He agreed that most men have only an approximate idea of what size they are. Hence the need to assess the customer swiftly and tactfully.

I wanted to know why American stores seem to be able to fit everyone from the stoat-skin to the grotesque.

"American stores offer greater depth in size, but lesser range in style, and remember that they are only just changing from the idea that all that counts is comfort. That to us would look sloppy, not fitted. The average Brooks Brothers suit is just a box." Austin Reed, with a high style end, Cue, and such an enormous selection can afford to be adventurous, engaging Bill Gibb for example to style a range.

Mr Reed believes that men do not get better service than women, but that women would like that same service restored. To this end, Austin Reed is planning to open a womenswear area in the Regent Street branch.

But to come back to the men I started out with. Not being privy to the secrets of Lord Goodman's home wardrobe (I envisage paisley primed claret foulard, with plain lapels and some piping) I can only advise that in public he is wrapped in the conventional subfusc, a sharp contrast to Mr George Howard, a man of stature to match his wonderful castle. He is far from subfusc. I seem to remember cerulean blue with a contrasting saffron shirt and, for something in the evening, the immemorial answer, the kaftan complete with covetous beads. As for the man who is so cross about the analogy with my horse, he dresses on practical, washable, light fit-any-size trousers from the catering suppliers of Soho.

PS on big feet. Magnus of 2 High Street, Harpole, Northampton NN7 4DH, supply their customers by mail order.

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SPORT

Football

Liverpool may have to wait a little longer for the League Cup

By Norman Fox
Football Correspondent

A lot has happened to the clubs involved in tonight's delayed Football League Cup semi-final round first leg matches since the draw was made early in December when only Liverpool knew they were safely through. Liverpool themselves have gained only one point from their last two games, Nottingham Forest have rediscovered themselves, Swindon Town finally beat Arsenal, and Wolverhampton Wanderers were taken to a second replay by Grimsby Town.

None of this drastically alters the first conclusion which is that the matches, Forest v Liverpool, and Swindon v Wolves, were likely to be close runs, especially as the ties are played over two legs, the second being on February 13. If any prediction made at the time is even sounder now, it is that Liverpool's sense of frustration at being paired with the team who knocked them out of the European Cup last season will beat them in the League at the City ground in September, is justified.

Saturday's 3-1 win at Leeds showed that Forest's recuperation after several weeks in the doldrums was almost complete. But there is something of a mystery concerning future intentions. Nottingham Forest, who is on loan from Southampton, is thought to be ineligible for the League Cup and the FA Cup, in which Forest played Liverpool again on Saturday so O'Neill regains a place tonight.

Presumably, without George and Bowles, both Cup-tied, Forest will have Francis in the attacking position where he finished on Saturday.

Swindon City's defeat of Liverpool was deserved but the champions are entitled to an off day and as these occur so infrequently it would be foolish to draw conclusions. Indeed, if Liverpool are at their most dangerous in the few minutes after conceding a goal, equally they expect to punish the team they face after defeat. But Forest know them well and play them sensibly. The League Cup is the only domestic trophy that Liverpool have not won, but they may have to wait for a year in which they avoid Forest.

If there is an occasional weak-

ness in Liverpool's make up it is when they become frustrated by failure. To dominate, Delglish, busily though he played on Saturday, became angry at his failure to score and in the end lost control in the penalty area where he is usually so positive. On previous occasions Forest have belied their own defensive in security and kept Delglish under control while watching Liverpool's work and pace. There is no clever tactics here.

There is ample incentive for both sides but if defeat sharpens resolve perhaps Liverpool's hunger will be the greater. It was Forest who beat them in the League Cup final of 1978 and that may count for more than the points read into the defeat at the City ground in September. At that time Liverpool were suffering from a slow start, having taken only seven points from seven games.

The pitch at Nottingham is expected to be playable but heavy. There was surface water yesterday but the ground staff were confident that they could clear it. Even so, the ground is bound to be slippery and lead to defensive mistakes. A lot will depend on the central defenders who will be marking fast forwards. Burns has just completed a two-match suspension for Forest, but Hansen, the young Liverpool centre back, is quicker now and saved his team from a heavy defeat on Saturday. Wolves hope that the former England captain, Hughes, will be fit to play at Swindon but fear that his knee injury which he aggravated his knee injury which he suffered after Saturday's match at Crystal Palace. No decision will be made until Sunday but Hughes believes he is ready for a game he is keen to win in case it should lead to a League Cup final against his former club, Liverpool. Even if Hughes is unable to appear, the Wolves team will be stronger for the return of Hibbit, who has served a suspension.

Swindon, who were without a match last Saturday have solved the problem by borrowing Tucker and Miller to play in a tie that will also tell Tottenham Hotspur more about the team they play in the FA Cup next Saturday.

FA bring charge of disrepute against Walsh

Ian Walsh, the Crystal Palace striker, has been charged with bringing the game into disrepute by the Football Association. The FA move follows an incident after the FA Cup replay defeat by Swansea City at Cardiff last week when Walsh showed the red card in the tunnel by the Bristol referee, Eric Read, for allegedly arguing.

Mr Read said he twice warned Walsh to go away and when Walsh persisted, produced the red card. Walsh said he was not warned.

Billy Bremner, the Doncaster Rovers manager, faced a similar charge under FA rule 35. Mr Bremner is charged with disrepute for allegedly making comments to the Manchester referee, B. Banks, after the Boxing Day match at Walsall.

Last night's results

FA Cup
Third round replay
Swansea 2, Cardiff 1 (A. 11)

Fourth division
Petersburg 10, 0
Barnet 1, 0
Barnet 1, 0

Southern League
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Husband and wife team with a baby and an Olympic skating title to take care of

From John Hennessey
Göteborg, Jan 21

Fears that the threatened boycott of the Olympic Games might rub off on the Winter Games to be held in Lake Placid next month, are not shared by Irina Rodina and her husband, Alexander Zaitsev, who will be defending their pairs skating title against the American and world champions, Tai Babilonia and Randy Gardner.

This event, promised in any case to be the highlight of the whole Winter Olympics programme in view of the 10-year dominance of Miss Rodina (with two partners) and of the spellbinding performance of the American pair in last year's world championships in Vienna at a time when Miss Rodina was nursing a four-month-old baby in Moscow.

When the point was put to her last night, Miss Rodina answered that she and her husband had competed many times in the United States and always had a generous reception. In skating, she said, people were concerned only with the performance on the ice.

Further pressed about the special circumstances that might obtain in Lake Placid, Miss Rodina said that she did not believe that President Carter's pronouncements recently represented the view of the American public as a whole. It was the Olympic Games, she said, that she believed to be a wholehearted support of the skating fraternity. Anyway, she said, she was not going to let the Olympic Games be a distraction.

Putting political considerations apart, Miss Rodina felt that the highly charged atmosphere might be a good thing for her. It was a question of character, in such circumstances a competitor should be inspired to greater achievements. On the other hand, she said, she might crumble under the pressure of national expectation. Furthermore, she said, she was not used to always having to defend a title than win one in the first place.



Walking her baby back home: a revitalized Miss Rodina and son stepping out in Moscow

She had watched the American pair's performance on television and generously volunteered the view that their free programme had been the best they had ever done. At all events it will be a fascinating occasion when the two teams meet in the final of the pairs event after President Carter, of all people, has performed the opening ceremony.

Baby Sasha succeeded where so many had previously failed in depriving Miss Rodina of her world championship title last year she had won on 10 successive occasions, to say nothing of 10

successive European titles and two Olympic gold medals, an achievement surely with few, if any, parallels in sport.

Miss Rodina, now 30, said she missed her skating for a year, but she was now back and was sport with renewed enthusiasm, "skating as well as ever". During the last year she and her husband had been able to reconsider their life. They had decided to have a few new tricks up their sleeves.

Assuming Lord Killanin has his way, the Winter Games will start in July. What an agreeable prospect to carry through the coming months.

The second highest British placing here is almost certain to go to Jayne Torvill and Christopher Dean. They are ranked sixth among European pairs and are the reigning world champions. They are also the reigning world champions in the ice dance, with their partner, John Curry.

It is his own view that if he can gain only one place over his sixth position last year he is in with a chance of winning the gold medal. "I'm comfortable", anything better "really nice", otherwise it would be a straight fight between the two teams.

Yet we have great hopes of Miss Torvill and Dean. All known figures suggest that they will be a serious challenge to Europe when the Olympic games are held in Sarajevo. The four drawn today were from Poland, Czechoslovakia, Yugoslavia and Austria. Even if Cousins is a goal down from the kick-off, it is not vital for him to win here to establish his credentials for a gold medal at Lake Placid next month. However, he would clearly go there to win here to establish his credentials for a gold medal at Lake Placid next month.

He seemed perfectly relaxed facing the press for the only time before his three-day ordeal.

Tomorrow's compulsory figures will give a guide to his prospects.

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I put it to her that husband and wife partnerships rarely worked in skating. "In our case it does," she said. "Sure, we have our quarrels on the ice and at home, but they are different quarrels. It does not seem a prescription for domestic harmony, but the Zaitsevs seem to thrive on it."

The baby has brought a powerful new influence in her life—"a deeper joy than all the medals put together." Her husband will never forget Red Army Day, 1979, because it was the day his baby was born. Now Miss Rodina is anxious to have a daughter, "fairly soon."

Big Sasha (a diminutive for Alexander common to both father and son) explains that his baby loves him in return, probably because he can lift him higher than anybody else. Little Sasha did not cry much. Miss Rodina said, "but when he is sitting on my hands he can reach anything." In fact, Miss Rodina is nearly 5ft and weighs 7st. Thus, although Sasha the elder is only 5ft 10in, beside Miss Rodina he would no doubt appear to his son as a giant. The father, of course, is not unused to lifting people.

The baby had just taken its first faltering steps across the living room before the parents had left for Göteborg. Miss Rodina has help from her mother in her flat in the city. The father, of course, is not unused to lifting people.

Miss Rodina, now 30, said she missed her skating for a year, but she was now back and was sport with renewed enthusiasm, "skating as well as ever". During the last year she and her husband had been able to reconsider their life. They had decided to have a few new tricks up their sleeves.

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Tennis

A fiercer McEnroe in the concrete jungle

From Rex Bellamy
Philadelphia, Jan 21

Jimmy Connors and John McEnroe are seeded to contest the singles final of the United States professional indoor tennis championships which began at the Spectrum here today. McEnroe must first dispose of Vitas Gerulaitis who beat him during the Masters tournament in New York—an impressive performance, though McEnroe had already qualified for the semi-final round and therefore had nothing much to lose. An unusual feature of the singles draw here was the presence of three Frenchmen, Yannick Noah, Gilles Moretton and Dominique Bedel. The French seemed to be playing the French in a 48-man field of this quality.

Peter Fleming and McEnroe, whose dominance of the doubles game matches that of three years ago, are seeded to meet Marty Riessen and Sherwood Stewart in the semi-final round and therefore have nothing much to lose. The semi-final round promises some fun. Fleming and McEnroe are likely to be challenged by the craft of Bob Hewitt and Fred Stolle, and the temporary separation of the supposedly inseparable "Killer" duo, John and Tom. The latter, who will be playing the next two weeks off so that he and his wife and daughter can settle into their new home, said last night that he and Tom had studied their schedules and realised that for a month or so they would not have much chance of playing together. So they would concentrate on singles, learn what they could from other doubles

partners and then join forces again with renewed zeal, perhaps, sharpened skills.

For men's tennis this is the most important of the big-entry tournaments. The promoters are the United States Open championships on hard court, and Wimbledon on grass. Its title is inevitably confused with that of the United States professional championships, played at Boston, and the United States indoor championships, played at Memphis.

For several months last year a more substantial cloud loomed over the tournament. The promoters were accused of misleading financial practices: a charge from which they were totally cleared by the district attorney's office after a thorough audit. It says much for the resilience of the promoters that they have successfully weathered such a nasty artificial storm.

Philadelphia, of course, is the home of American independence. Its regard for language is less evident than its regard for liberty. Landing here is always something of a shock because the airport terminal is emblazoned with the etymological monstrosity "America's most livable city". Nor is the environment of the tennis tournament particularly inviting. The Spectrum, shaped like a massive hat box, is sandwiched between two more sports stadia in a bleak, dreary, concrete desert south of the city, close to the Delaware and the docks. There are no trains. No birds sing. The air is cold and grey. The year the hard, awful greyness of the place is often obscured by big winds. But the hat box is air conditioned and the tin roof is lined. The crowds sometimes exceed 15,000 a session and 80,000 for the week, and there are many times more than the United States professional indoor championships.

will be under pressure to abandon his experimental plan and include his Davis Cup No 1, Christopher Mottram, who has so far not played because of tournament commitments. He would have to think carefully about it. Hutchins said: "I picked the present because I was looking for a place to play under international conditions."

Andrew Jarrett, the 22-year-old Derbyshire player, back in the air after a long injury, is a contender for the title. He was the victor of the victory over West Germany. He gave the side a good start with a 7-6, 6-4 win against West Germany. He was the victor of the victory over West Germany. He gave the side a good start with a 7-6, 6-4 win against West Germany.

It was a fighting victory which delighted Hutchins. "This was a thrilling win and well deserved. At the end of the match the team can do."

Despite the encouraging victory the odds must be stacked against Britain. The group play off is scheduled in Gloucester on January 31. Hutchins's team will be meeting France to avoid relegation to the second division. So they would concentrate on singles, learn what they could from other doubles

If that is the case then Hutchins

American football

Super Bowl records fall

Pasadena, Jan 21.—The Pittsburgh Steelers, watched by a record crowd of 109,985, won their fourth Super Bowl, breaking a record set by the New England Patriots in 1958. The Steelers' victory was a record for the most points scored in a Super Bowl game, with 28 points. The Steelers' victory was a record for the most points scored in a Super Bowl game, with 28 points.

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Evolution has a sure way of correcting faulty design.



Arguably the worst-designed creature of all time, the Brontosaurus literally ate itself out of existence.

So much vegetation did he need to fuel his huge body, he had to eat non-stop round the clock.

But since he could not venture out of his lake on to dry land without collapsing under his own weight, he finally starved in his own empty larder.

Thus providing a spectacular warning of the dangers of conspicuous over-consumption and total inability to adapt to change.

THE NEW DINOSAURS.

With its phenomenal appetite and seemingly rigid design, the motor car could be overtaken by evolution rather quicker than the ill-fated Brontosaurus.

Fortunately, however, we at Audi have never been in the dinosaur business. We have always looked to the future and designed our cars accordingly.

Take the 3-year-old Audi 100 5 cylinder. One of the first cars to acknowledge that the world did not contain a bottomless oil well.

Outwardly conventional, it was actually a most unusual beast. It contained, for instance, the world's first 5 cylinder petrol engine.

Smooth as a six yet miserly as a four, it looked ahead to a time when the desire for power would have to be reconciled with the need for economy.

A time like now, in fact.

Its shape, the result of 250 hours in a wind tunnel, combined low drag with ample accommodation for five. Thereby saving fuel without sacrificing life's creature comforts.

By using tough plastics when others were still using metal, we cut

weight (and therefore fuel consumption) without losing strength. And in our search for a safer car, we managed to lighten it even further.

Since the Timoshenko girders in the Audi 100 rely on controlled collapse rather than brute strength to repel impact, they are both lighter and safer than conventional girders. Thus we were able to save your spirit while taking care of your body.

And finally, because it was clear that maintenance costs would rocket as oil stocks sank, we designed a car that would give you fewer bills to pay.

With 10,000 mile main service intervals and a six year warranty against rusting through from inside, the Audi 100 looks better today than it did three years ago.

A NEW LOOK AND A LOOK AHEAD.

You may have noticed that the car you see here looks a little sleeker than the Audi 100 you know.

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Leaving us free to design today the cars that will survive tomorrow.



The Audi 100 five cylinder.
Audi The car for now.

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Bernard Levin

As the Labour enquiry begins: enquire within

The Labour Party's commission of enquiry, which is bound to have a very significant effect on the organization of the party, and indeed on its very nature, holds its first meeting today. The provisional list of membership is already drawn up, and that being so, I thought my readers might be interested in learning a little more about the views of one particular member of it; to be precise, his views in relation to the Soviet Union and its government and political system. The member in question is Mr Alex Kitson, a senior official of the Transport and General Workers Union and a member of the NEC of the Labour Party, and he seems to have unqualified admiration for the Soviet Union, which he has expressed in some detail in speeches and interviews on Moscow Radio. I have a considerable collection of the texts of such broadcasts, and I propose today to subject Mr Kitson's views on this interesting and important topic to some scrutiny.

Mr Kitson went to the Soviet Union for the celebrations of the sixtieth anniversary of the Russian Revolution, in November 1977, as the representative of the Labour Party. At the time, one of his comments caused some stir in Britain. He said: "I am pleased to visit a country where the situation differs from that in my own"; the Labour Party's NEC even discussed the matter, and naturally concluded that nothing Mr Kitson said was in any way reprehensible. Perhaps the NEC should have enquired a little further. But perhaps they did not, for it is not in the least surprising that some material that even they could not ignore. The reason I raise the

matter now is twofold: first, as I say, I think the country has a right to know the views of a member of the Labour Party's commission of enquiry on the day it starts work, and second, the material I have gathered proves a far more extensive understanding of Mr Kitson's attitude to the Soviet Union than do the few words published here at the time they were made.

For during his visit, he spoke many times on Soviet radio programmes for listeners overseas. Sometimes, he was fed questions that enabled him to express his admiration of the Soviet Union, and sometimes there was no more than an introduction by an announcer before Mr Kitson went on to express his admiration of the Soviet Union, but whichever method was adopted the admiration was the same. We begin with a claim that brings to mind Bertie Wooster's reaction on hearing some devastating news from Jeeves: "I inspected my imagination; it begged."

When you think that the industrial revolution took place in Western Europe some 150 years ago and we are still not getting full potential of the industrial revolution, and the Soviet Union has in 60 years done more than has been done in Westernized countries in 150 years.

We continue with something a good deal less amusing. As everyone knows by now, one of the most cruel forms of Soviet Catch-22 used against dissidents or those who wish to emigrate is to dismiss them from their employment (this is automatic for anyone who dares to speak up for any form of human rights) make it impossible for them to get other work of any kind, and then prosecute them for

not working. The fear of unemployment in the Soviet Union is, therefore, not confined to the ordinary kind (which is widespread, though disguised and denied), but exists in a much more intense and agonising form. Mr Kitson knows this as well as anyone. Yet this is his false and brazen gloss on it:

I think that that's a statement of fact, that Breshnev made, that the one thing that any individual fears is not to be able to work. This is one fear that a man has. It's a fear in the capitalist system that prevails that there are so many unemployed. Now that's no fear in the Soviet Union. Everybody has got the right to work and everybody gets the opportunity to work. There is one thing that the capitalist system can't condemn a socialist state like the Soviet Union for, the guarantee on the right to work. Nobody in this country who wants to work can't be afforded that right to work.

That is by no means all. Mr Kitson is a trade union official; in some of these broadcasts he is at pains to stress that his involvement with the British Labour movement is from the trade union, not the political, side. It might have been thought, therefore, that he would be particularly concerned at the fact that there are no trade unions in the Soviet Union, that any attempt to form one would be repressed with the greatest brutality, and that when a group of Soviet workers, at just about the time of Mr Kitson's visit, tried to combine to represent themselves (in, for instance, safety standards in Soviet industry) their leader was put in a madhouse, and the others imprisoned or sentenced to internal exile. But this is what a senior official of a free British trade union said of the system in a country



Mr Kitson: thoughts from abroad.

where no free trade unions are allowed:

Well, we have come here for the 60th anniversary of the Soviet Revolution and I am sure, as far as the workers in the United Kingdom are concerned, that they welcome the fact that they have had this revolution in the Soviet Union and we wish them very, very well and everything that they have maintained, and also workers' control, which is important to the British workers. And I would say that on behalf of British trade unions, that we are still striving to achieve the kind of things that the workers in the Soviet Union have achieved in maintaining an

of the economic situation in their country to the best interest of all the workers in the Soviet Union. . . . The other point I would like to make is the development of the trade union movement. It has . . . played a great part in the development of socialism in the Soviet Union. The trade unions are responsible for the welfare of the people in the main and they played a mean part in ensuring that everything that is of advantage to the workers is given to the workers and I wish them well. I hope that in the next 60 years that the developments that they have given to the people will be as good as the first 60 years and I have no doubt that it will be.

After that, it is difficult to be shocked, or even surprised, by Mr Kitson's description of an educational system based on the most rigid censorship in the world and the most narrowly conceived educational theories:

They have problems in the Soviet Union and maybe not as many problems as we have got, but their educational system for youth is something that has got to be admired.

And now for the subject of peace, and the Soviet Union's role in the keeping of it. Here was Mr Kitson (this was, of course, long before the invasion of Afghanistan, which Mr Kitson assures me, while standing by everything I quote him as saying, does not approve of) in a country which holds down by force a huge empire in Eastern Europe, which has colonized by force large parts of Africa, which crushed by force the Hungarian Revolution, and which has its frontiers with death for anyone who tries to flee. One might think that he would at any rate not go out of his way to praise the Soviet

Union as a land of peace. If so, however, one would be greatly mistaken:

Lenin based his policies on peace and . . . peace is an important factor and the Soviet Union is playing a great part in trying to establish the fact that peace is one of the things that is important to the Third World. If you have a look at what has happened in the Soviet Union in 60 years and how they have attempted to develop relationships, then I'm sure you must agree that their interest and the main interest is to maintain peace. . . . Peace is all important to the Soviet Union. . . . But there are forces in this world, and they are strong forces, but so far as they are concerned they would attempt to do everything to destroy what has been built up, not only in the Soviet Union but in socialist countries and also by socialist parties throughout the world. . . . I think that the Lenin decree of 60 years ago—it was good then. It's better now, because the forces of war and the forces of armaments are something that is really frightening and fearful.

But perhaps the most disgraceful of all Mr Kitson's comments (the choice is wide) concerns the subject of human rights. In the most repressive society in the world, in which no one has any rights at all against the arbitrary actions of rulers who refuse to be bound by any code of law or right whatever, and who can safely break this code of law and right, the empty laws that gather dust in their cruel farce of a statute book, this is what Mr Kitson has to say on the subject: The new Soviet Constitution is something that when it is properly given the rights to ordinary people, and especially to young people, in

the running of their country and in the running of their own affairs. This is very important. It's something that has got to be looked at from one of the points of view of the world, especially the capitalist systems in the world, as to how you can have the opportunity to have a say in the running of your own affairs. . . . The new Soviet constitution has given wider powers to the ordinary individual, it's given wider powers in many aspects, in social aspects, in trade union aspects, and I would feel that we can learn many lessons from the attitude that has been struck from a planned society. This is the advantage that the Soviet Union has over the capitalist system. Something like the right of the individual to determine his own destiny. That's what is happening here; that's the kind of thing that we have got to fight for, that's the attitude that we should be striking, and I would impress upon my fellow trade unionists in the United Kingdom and all over the world that the opportunity should be given to study the situation that is now developing in the Soviet Union.

And now this fawning admirer of the Soviet system has been appointed to enquire into the workings of Britain's Labour Party—Labour Party I—and within an hour or two of your reading these words he will have begun his job. Perhaps, in the circumstances, there may be an extra, unintended meaning in another of the comments he made on Moscow Radio:

I would say that the relationship that is now developing between the Soviet Union and the British Labour Party can do nothing but good for peace, for international cooperation and also, of course, for the development of relationships between workers.

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How the European Parliament can help home governments

In the backlash of Mrs Thatcher's triumph at the polls 60 Conservatives were elected to the European Parliament last June. This reform Institution met for the first time at the inaugural ceremony in Strasbourg in July.

We chose a president, and selected members of our 15 specialist committees and their chairmen. Our recess ended in early September. Before Christmas the parliament had rejected the 1980 budget by an overwhelming majority, which the votes of the Conservatives made up an important part.

Such momentum, built up so quickly, is exhausting and exhilarating for those involved. Few commentators expected so much coherence and determination so soon: many parliamentarians could not wholly believe that we were ready to reject the budget until we had done it. The painful journey to Strasbourg suddenly seemed worthwhile.

In contrast, the House of Commons was elected in May 1979, but failed even to decide the membership of its select committees by the time the budget committee of the European Parliament—composed of nine nationalities speaking six languages—was moving towards recommending rejection of the budget.

The European parliament's vertiginous advance can only increase the chances of tension between Tories at home and members of the European Democratic group at Strasbourg. Sometimes it may seem to Conservative members of the House of Commons that MEPs are doing nothing at all to support Mrs Thatcher in her Government's labours.

My message is that the European parliament is moving in

do not know how we work or what we do.

Many of the problems of linkage are simply the consequence of a novel constitutional development, whereby British representatives sit in a powerful international parliament, and any formal tie to the British Government.

Labour members of the European parliament do not have this special relationship with the Government. Indeed, they have a new form of relationship, the Tories about citizenship, women's rights, and the like. Probably their need to placate the party at home provides them with their own worries. Relationships between Euro-Tories and the rest of the Conservative Party at home are, on the whole, very amicable.

The longer term tensions are quite different and harder to relax. Indeed British politicians are probably the least equipped (except the Dames) of any in the Community to grapple with the consequences of the elected European parliament. British political tradition is shackled to the doctrine of the sovereignty of Parliament, a doctrine which permits an extreme government to bring back the Star Chamber or the House of Lords.

Thus the Whitehall-Westminster clerical finds it hard to see the European parliament as anything but intrusive and threatening or impertinent and irrelevant.

Participation is not the issue. Members of the European parliament have not stopped being British, nor do we wish to forget our heritage. Still less do I cast aside 10 years of membership of the House of Lords, the institution which has taught me most and of which I am fond.

My message is that the European parliament is moving in

averting towards the full expression of its considerable powers, and that we should welcome such progress as the enhancement of political accountability in the European Community.

The reorganization of the Community's finances, accompanied by a reassessment of the amount spent on agriculture, are major British interests. The reduction of the British contribution will only come about if the present system can be shown to work against the wider interests of all member states, because it threatens the ability of the EEC to survive, let alone grow.

The parliament, egged on by the British, has helped paint the essential backdrop of Mrs Thatcher, and her ministerial envoys now hastening round the capitals of the continent, to prepare for the February/March summit.

But what next? Will the parliament set off on a federal rampage?

As the Italian presidency will recognize, the parliament must continue to steer the budget in the direction laid down. Then the Commission should be sacked as soon as possible, as it has run out of reality and lost any vestige of collegial spirit. At some point soon, members should refuse to meet in Strasbourg.

Further on, there will be differences of view between the British Government and the European parliament, and differences of emphasis between Conservatives in Britain and the European Democratic group. Such clashes are necessary and healthy. Jaundiced observers should note that 16 Frenchmen have been elected to the European parliament, and that the French government has not yet decided whether to support or oppose the European parliament.

My message is that the European parliament is moving in

Salisbury

Lord Soames, Governor of Southern Rhodesia, was justified in publicly giving himself a pat on the back last week for his administration's achievements during its first month in office. His admirers in Salisbury seem to divide by the day and night on the merits of his administration, and of his administration's achievements.

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Lord Soames keeps his balance on the Rhodesian tightrope

of the Rhodesian problem, and what happens after independence will be neither his responsibility nor Britain's.

The list of changes and reforms is an impressive one. However, where he is now coming in for criticism is over some of his actions in the internal political sphere. In particular, he is being criticised for his handling of the situation in Salisbury.

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In the final analysis all he can do is to use his powers of persuasion

In fact the British would like to curb the activities of the auxiliaries (and disciplinary action has been taken in certain cases), but the command structure of the Rhodesian forces, on whom Lord Soames' administration is almost totally dependent for maintaining law and order, has made it clear that the activities of recalcitrant guerrillas must be dealt with first before they are prepared to bring the auxiliaries to heel.

A similar situation exists with the South African forces, numbering between 150 and 200, who are positioned inside Rhodesia within a seven-mile radius of Beitbridge. Lord Soames is clearly embarrassed by the row that has been provoked by the admission that he has authorised a South African force to be there, but he has to balance this against insistence by the Rhodesians (supported by South Africa) that they should remain.

The question of the South Africans is indicative of the constraints under which Lord Soames is having to operate. Although he has full legislative and executive powers, he is dependent on the existing Rhodesian military and civil administration to carry out his orders. To ensure that the British Government's policy is being carried out, he has to balance this against insistence by the Rhodesians (supported by South Africa) that they should remain.

It is a precarious balancing act, made all the more so because he has no real muscle

to back up the extensive powers that are vested in him.

The Rhodesian administration, predominantly white and Rhodesian Front-supporting, has little love for the British and even less appreciation for moves which are seen as being favourable towards Mr Mugabe and his political fortunes.

In the final analysis all Lord Soames can do is to use his powers of persuasion — which are admittedly considerable — to get things done.

So far he has managed to walk a tight rope fairly well. The Rhodesian situation has kept more or less in line and the degree of criticism from the Patriotic Front parties and from outside has not yet become so strong as to force him to act differently. In fact he could probably go even further to stand a greater degree of criticism from the black nationalists and their backers because he knows there is little more they can do than shout.

The bulk of the guerrilla armies are already grouped in 14 assembly areas and could be dealt with very quickly if they tried to move away from these points to resume fighting. Mr Mugabe and his party officials have all returned and have so far gone out of their way to appear reasonable and cooperative. Most of Mr Mugabe's party leadership has also returned (although not yet Mr Mugabe himself) and also claim to be determined to take part in next month's elections, although the British say they are being far less reasonable and cooperative. Most of Mr Mugabe's party leadership has also returned (although not yet Mr Mugabe himself) and also claim to be determined to take part in next month's elections, although the British say they are being far less reasonable and cooperative.

But most important of all is that Zambia and Mozambique have shown, by rushing to normalise relations with Rhodesia, they are determined to see the settlement work. Mozambique in particular has been praised by the British as being "very helpful". So it seems likely that if either of the Patriotic Front leaders wanted to pull out of the Lancaster House agreement now, their backers

would not let them. It remains to be seen whether Lord Soames can sustain his Houdini act for another six weeks. As the election approaches the pressures will build up enormously. Violence and intimidation are already rife in the black townships and will certainly get worse. Everybody will be crying foul.

Lord Soames has warned that he intends to use all his powers to ensure a peaceful election, campaign. There have been hints aimed at Zanu (PF) that he might have a party which is consistently found guilty of acts of violence. Observers of a Machiavellian frame of mind believe that Lord Soames, sensing a surge of pro-Zanu (PF) sentiment around the country might take such a step to prevent Zanu (PF) from winning the election. This would not only be a most unwise move but make but probably an unnecessary one as well.

There are growing signs of a move to isolate Zanu (PF) by bringing the other more "moderate" parties closer together. Contacts have already taken place between Mr Nkomo and Mr James Chikerema, leader of the small Zimbabwe Democratic Party, and it is only a matter of time until similar talks take place between Mr Nkomo and his arch rival, Bishop Muzorewa.

The two men have a strong dislike for each other but they could overcome this by realising that the only way they can stop Zanu (PF) winning the election is by becoming allies. A coalition between Mr Nkomo, Bishop Muzorewa, Mr Chikerema and the 20 whites in Parliament would be virtually unbeatable. Zanu (PF) may have to win 45 of the 80 black seats to be sure of forming a government by itself and there would be few people around at present who would put any money on the party winning such a landslide victory.

Nicholas Ashford

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A prow round the sales

I went to the sales at the week end with a skinny-eyed companion. Mr Bill Butterfield is a senior trading standards officer with Westminster City Council and has all the West End stores, and countless other shops, on his patch. He was tutored in the arts of rogues from an early age, having been employed during his own school holidays to take the old price tickets off the linen and substitute new ones with the same price written in red and as (imaginary) higher price boldly struck out. "That was considered normal in those days," he said.

How much have things changed? "During sales times I reckon almost every other shop will have something wrong with it," he said glumly. "Some crafty characters regularly change their window displays just to escape the Trade Descriptions Act."

The law says that where a previous selling price is crossed out and a new sale price written in the goods must have been sold at the higher price for at least 28 consecutive days in the last six months.

Mr Butterfield and his colleagues once photographed the windows of a shop near Oxford Circus every day for six months to prove a case. They also had to follow the owner home, withstand threats of violence, and trace an alias from the electoral register before they could bring a successful prosecution.

Back at the office we looked at the perfume sold as Chanel No. 5 on the Oxford Street pavement. It smelt like horse liniment. There was also a gold sovereign bought at Piccadilly Circus. It was brass.

"Whatever we had found

We started our tour with a look at that shop's windows. There were no misleading price comparisons evident. "One awkward thing about it," he said reflectively, "his prices really are quite cheap anyway."

Not all the trouble is with the small men. Mr Butterfield had just come from giving Selfridges a lecture about the Government's new bargain offer regulations.

We paused to warn a manager at Irvine Sellers that they should not be making price comparisons with something claimed to be "normal value" in their window display, and to note some illegal comparisons with manufacturers' recommended prices in the department of Dickens and Jones. "Some of these manufacturers' prices that were quoted you could never find charged anywhere," said Mr Butterfield.

Not all his work is concerned with protecting West End shoppers. Other current cases involve a company specialising in digital watch repairs which has a bad habit of losing customers' watches, a firm advertising varnishes by mail order and sending farmers thin gauge plastic sheeting instead, and a man whose mail order bicycles never arrive. "There is always someone in the West End who thinks he has found a new way to get rich quick," he says philosophically.

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"Whatever we had found

I think flying pickets are very un-British. Now crawling pickets...



this morning". Mr Butterfield said. "We could not in fact have brought a prosecution because of local government cuts I no longer have an assistant, and my union says I am not to use anyone else to supply corroborative evidence. We have not decided yet whether we should try going to court on one man's evidence alone."

Dog eats self

Recently I wrote two articles exposing a series of misleading and illegal special offers made in The Observer. As recently as last Saturday these drew a letter from Mr Brian Nicholson, managing director of The

Observer admitting they were in the wrong and making apology.

All the more distressing, therefore, to find on Sunday our own sister paper, The Sunday Times, committing a precisely similar offence, and even then it arrived late.

From Fortnum's Mr Jaggs said: "Oh, dear, I had hoped we had managed to earn ourselves a little thank you after all. We do say on all our literature that we cannot guarantee Christmas delivery on orders received after December 1, and Mr Slade's first letter was sent on December 13. Another difficulty was that Twyford is not in our delivery area and we do not have a fresh meat department."

"In the Christmas rush the telexes went astray, so I did feel we had let Mr Slade down. We eventually took the telex to the restaurant, and delivered the order by courier taxi at a cost to ourselves of £25.88, getting it there before his wife went out in the evening. I sympathize with a great deal of what Mr Slade says, but I did hope he would read amendments."

Too late

Some consumer complaints are more priceless than others. Mr Gregory Slade has written from Bahrain to complain that three telexes to Fortnum and Mason asking them to deliver a bottle of champagne, 24 roses and a pound of gift-wrapped chopped filler steak to an address in Twyford, Berkshire, at a specific time were all ignored. The items were to be Christmas presents for his wife and dog.

Finally he telephoned twice

on December 28, and on the second occasion says the managing director, Mr David Jaggs, told him the company could not accept orders of that nature. Only after he completely lost his temper did Mr Jaggs agree to make the delivery, and even then it arrived late.

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Barrett. The shops are on opposite sides of the same precinct, precisely fifty paces apart.

Here are some of the prices of identical items I found:

	Health shop	Barrett
3lb Jordan's Original Cruelty with honey almonds (100g)	£1.24	£1.15
Harmon old-fashioned peanut butter (1lb)	63p	50p
Record wholemeal loaf (500g)	54p	47p
14lb Thompson's oat lump salt	45p	37p
Rakum's 16oz malted Pouter's (1lb)	37p	30p
Turkey dates (250g)	25p	20p
Suez grape juice (1 litre)	25p	20p
Buckled malt loaf (250g)	25p	20p
Front state (1.5l)	47p	42p
Vichy water (900ml)	47p	42p
Campbell's tomato and vegetable juice (12fl)	35p	29p

On average where both shops stocked identical brands in identical brands Barrett were 18 per cent dearer. The price differential was even wider where similar but not identical brands were compared, and between the prices charged for unbranded goods that were not likely to vary significantly in composition or quality. Two litres of Alfalfa Maltz corn oil cost more at Barrett than at the health shop than three litres of Mazola corn oil (£2.65) at Safeway.

There was just one thing Holland and Barrett were selling more cheaply. Five ounce packets of Percy Dalton's Monies (unshelled peanuts) were 28p in Safeway and 25p in the health shop. Still, the health shop and Barrett customers would have to eat an awful lot of Monies to stop the firm making monkeys of them.

Robin Young

مكروان النحل



New Printing House Square, London, WC1X 8EZ. Telephone: 01-837 1234

IT'S DEMOCRACY THEY WANT

The poll by Opinion Research and Communication of public attitudes towards trade unionism that we published yesterday shows a state of public opinion that union leaders, meeting this week to prepare their campaign against the Employment Bill, would be wrong to disregard. The significance of the lessons it offers extends far beyond the question of the Bill itself, resoundingly as it demolishes any claim that the minor changes proposed are offensive or even unwelcome to the movement as a whole. The most serious aspect of the findings to the movement's leaders should be the extent to which their own followers evidently feel alienated from their methods of action, and mistreated of their claims to speak on their behalf. The union leaders may not pay attention to general public opinion; they must pay attention to their own members.

The normal state of public opinion towards the unions in general has for years been marked by suspicion and disapproval. Even among trade union members, militancy has been repeatedly shown to be in dis-favour. A similar poll carried out by Opinion Research Centre in September, 1977, for instance, when the TUC campaign against the Industrial Relations Act was at its height and the government had already acknowledged that the Act would need extensive revision, found that 76 per cent of union members believed that the unions should obey the law.

This consistency of view implies a limitation at the same time as it defines a position. Clearly many who hold these general opinions find it quite possible at the same time to acquiesce in energetic industrial action in their own interests. The British public has a strong general prejudice in favour of order and respect for the law, and against conflict in any form; but this prejudice co-exists with ingrained inertia about doing anything to combat different views, and a lively sense of the advantages in terms of narrow self-interest of being militant on one's own behalf just now and then.

Any consideration of trade

unionists' doubts about the movement to which they belong must make allowances for this strain of passivity, which makes public opinion difficult to mobilize with any intensity either for or against plans to change industrial relations law. It would be dangerous for union leaders to be complacent about that. Disaffection on the scale indicated by yesterday's poll must come near to the point where the role of the unions in society risks being undermined by a deep and perhaps irreversible alienation from the mass of their supporters. Any such process would inevitably involve the Labour Party as well as the unions themselves.

Yesterday's poll sought to distinguish between ordinary lukewarm union members and strongly committed leaders of opinion by introducing a separate category of "active trade union members" — respondents who claimed to have attended a branch meeting or taken part in a union election in the previous twelve months. This fairly broad test set apart a group amounting to slightly fewer than half of all trade unionists replying, with opinions detectably closer to the "trade union" stereotype than the others. Yet the most striking aspect of the results is the extent to which they too exhibit doubts about the way their movement is going.

The questions asked fell into three groups: questions about the good or bad effects of trade unionism; questions about specific measures which might be taken to curb union power; and questions about the internal democracy of unions. In the first group 74 per cent of members and 69 per cent of active members accepted that unions were at least "a certain amount" to blame for low productivity in Britain; 55 per cent and 45 per cent accepted that they should bear part of the blame for high unemployment as well.

In the second group of questions, the most emphatic result was the endorsement of the Government's proposals regarding secondary picketing: even among active members 70 per cent wanted the law to prohibit the practice. Sympathy strikes

and blacking were also regarded as an illegitimate weapon by a clear majority of all trade unionists, while active members were almost evenly divided. In this respect, they are more radical than the Government, which is not yet committed to an action.

The Bill's proposals on the closed shop were also endorsed by both groups of members; active members were actually more strongly in favour than any other group of measures to prevent the closed shop being imposed without the proven support of a large majority of those affected. This result is indicative of the suspicion members displayed about the relationship between unions and individual members. Some of the largest majorities in the poll (with little variation between ordinary and active members) were in favour of secret ballots for union elections and strike decisions. This again goes beyond the Government. What is absolutely clear is that union members are overwhelmingly in favour of more democracy.

Such attitudes suggest that the movement's uncompromising opposition even to moderate legislation threatens to cut the leaders off from the source of their strength. Many of their followers see them as using illegitimate means to pursue aims harmful to national prosperity, and without due regard for the views of their rank and file. It is in the interests of the unions themselves to seek a framework of law for their actions which can reassure their followers. They ought to come into serious negotiation—that is what their members would want. Such a framework would express a consensus of opinion across all parties. Yesterday's poll shows that the people most concerned have a clear idea of the form many aspects of that framework should take, and that it should be based on these propositions: no closed shops without a ballot and a large majority; no union elections without a ballot; no strikes without a ballot; no secondary picketing or blacking at all. Union members are tougher than a Conservative government in wanting a fair legal framework for their unions.

The integrity of Guy Liddell

From Sir John Balfour, and others

Sir, We, the undersigned, have read with pleasure and interest the article published today (January 20) in *The Sunday Times* and *The Observer* about Guy Liddell, a senior officer of MI5. Whereas the former speaks of him favourably, the latter does the reverse and defames his reputation. Having either worked with Guy Liddell or been a friend of his family, we are moved to declare that, on the basis of our knowledge, he was a person of sterling worth and flawless integrity who deserves well of his country, which, in times of exceptional difficulty, he served with loyalty, efficiency, devotion and distinction.

We have no hesitation in voicing our wholehearted approval of the following robust tributes respectively paid to Guy Liddell in a statement to *The Times* on December 31 by Sir Dick White, who was Director-General of MI5 from 1953 to 1956, and in *The Sunday Times* of today by the top ranking interrogator, W. J. Skardon, who worked with Liddell in MI5 and was with him until he retired: "I knew him well and never had the slightest doubt about his good faith" and "He was a wonderful man and any suggestion that he was a traitor is preposterous".

Yours faithfully,
JOHN BALFOUR,
WILLIAM CAVENTISH-BENTINCK,
DARRELL CLANTON,
PATRICK REED,
JOHN STEPHENSON,
38 Onslow Square, SW7.
January 20.

A burnt-out case?

From Mr Graham Greene, C.F.
Sir, Let us hope that the official guide to survival is rather more realistic than that printed in the telephone book of the Panama Canal Zone for 1976.

"If you are warned of an attack, you must be ready to take cover. If outdoors take cover instantly in any building, or behind a wall, or in a ditch or culvert, or even under an automobile. If no cover is available, lie down on your back, cover your head with your arms or hands. Never look at the flash or the fireball. If indoors, go to the strongest part of the building and keep low." Yours truly,
GRAHAM GREENE,
Aldershot, Surrey,
January 19.

From Mrs Dilys V. Wood

Sir, Your article on Civil Defence (January 16) implies that the decision to allow 150 American ground-launched cruise missiles to be installed in Britain makes us more liable to nuclear attack from the Russians and that any such attack would be aimed specifically at London.

Does it not follow that we should be much less liable to such an attack if we had no nuclear weapons at all?

Yours faithfully,
DILYS V. WOOD,
5 Brimley Court,
Chesham,
Derbyshire,
January 16.

Travelling in Russia

From Mr Phil Sidey

Sir, What a muddled letter Miss Nora Balfour writes (January 17) about the temporarily-shelved Pebble Mill series *A Journey Through Russia*.

I wonder what Miss Balfour would think if I wrote to *The Times* complaining about her recent book on diplomatic relations in Russia without making the precaution of reading it beforehand?

Our series has been put on one side as we thought it would not be enjoyed by viewers when the present crisis in Afghanistan is uppermost in their minds, but since an entirely different line has been raised, may I say that the series specifically was not subject to any veto by the Soviet authorities.

Indeed, it had its own film crew and interpreter from Britain and it travelled in places where even Miss Balfour has not set foot. And, like Miss Balfour, our team was not born yesterday.

The series, incidentally, is about everyday life in Russia and is quite well done, as Miss Balfour will find out if she has the patience to wait for the evidence before delivering the verdict.

Yours sincerely,
PHIL SIDNEY,
Head of Network Production Centre,
38 Peckham Mill Road,
Birmingham.

Americans and Ireland

From Professor Bernard Crick

Sir, Michael Leapman's article headed "How the presidential race helped the Ulster's agony" (January 16) gravely misrepresents American-Irish opinion and perpetuates the tendency of the British press to report all American concern with Ireland in terms of a diminishing number of extremists of declining influence.

To present Dr Cahill, an adviser to the Governor of New York, as influential is as absurd as to think that Governor Carey's allegiance to the Carter or the Kennedy camp will be bought by United States foreign policy demanding "troops out".

In similar terms an account of British attitudes to the EEC could be written for *The New York Times* in terms of Mrs Thatcher's need to placate, on the one hand, Mr Neil Martin, MP, and on the other, Mr Dennis Skinner, MP.

So prevalent and false in the British press is the myth of American extremism on Ireland that the *New Statesman* kindly gave me extraordinary length (some 4,000 words) in their issue of December 7 last to document in boring detail what the real leaders of American-Irish opinion, Tip O'Neill, the Speaker of the House of Representatives, and Senator Kennedy, have said.

Boycotting the Moscow Olympics

From Mr Christopher Chataway and the Reverend Nicolas Stacey

Sir, The Russians have observed every Olympic ideal in their preparation for the Games. The American Olympic Committee would be in serious violation of Rule 24C, if they succumb to political pressure and do not participate. The Games have nothing to do with politics or national prestige. They are a competition between amateur individuals. Is Lord Kilham really trying to impose upon us that the Olympics are now a sick parody of the founders' every aspiration?

Many of the sports which constitute today's swollen Olympics also have separate world championships. Track and field athletes do not survive this blow, but it can be replaced. Already the cost of staging so many different sports at once has reduced the venues to just a handful.

Even when this is done, I, for one, will feel that the loss of these Games is a pathetic small in comparison with the loss of these proud peoples.

Yours faithfully,
S. A. MARSH,
British Olympic Committee,
Sapporo Winter Olympics,
Les Hubs De Haut,
St Martin,
Guernsey, CI.

From Dr Michael Pratelli

Sir, I agree with Professor Robert Stedman (January 17) that sport is a substitute for war. It is precisely for that reason the Moscow Olympic games should be boycotted by the West.

Yours truly,
M. PRATELLI,
1 Danvers Park Avenue, NWS,
January 18.

From Mr Monica Denishechevsky

Sir, Can we draw any conclusions from the fact that the Russian word *Mir* (pronounced as in miracle) has two meanings—"World" and "Peace"?

Yours faithfully,
M. DENISCHEVSKY,
7 Boudouene Road,
Farnham,
Surrey,
January 17.

China, whose troops invaded Tibet more than 20 years ago and are still there;

France, whose military forces have intervened in the past two years in four African countries: Mauritania, Zaïre, Chad and the Central African Republic, and whose Foreign Minister, M. François-Poncet, addressing the National Assembly three weeks ago, sought to justify those interventions on the same grounds as those advanced by the Soviet Government in the case of Afghanistan—namely, that it was done "at the request of the established and recognized authorities";

Tanzania, whose troops last year invaded Uganda to overthrow a tyrant;

Turkey, whose troops invaded Cyprus in 1974 and still occupy a big slice of it; and

The United States, whose invasion of Cuba (Bay of Pigs) and Cambodia (Parrot's Bank) were certainly not carried out at the request of the established authorities.

Going further back, to Suez, for instance, one could easily add to the array of white sepulchres which current diplomacy is exposing to our view.

Yours faithfully,
WILLIAM FORREST,
192A East Heath Road, NW3,
January 15.

From Mr William Forrest

Sir, Your published list (January 15) of UN member-states calling for the immediate, unconditional and total withdrawal of foreign troops from Afghanistan includes:

Links with Chile

From Lord Montgomery of Alamein

Sir, The long overdue restoration of diplomatic relations between Chile at Ambassador level will be widely welcomed by British industry, commerce, and banking.

One might therefore have expected *The Times* to have taken a less narrow minded attitude (January 18) and at least have offered the new Ambassador their best wishes, since the reestablishment of harmonious relations will be a difficult task. The fact is that the removal of our Ambassador was most shortsighted and should never have taken place.

During the past few years the Chilean economy has achieved a spectacular recovery, but British participation has declined from 5.8 per cent in 1973, when we were fourth largest supplier, to 2.1 per cent in 1978, when we were tenth. It takes a long time to establish strong trading links, but is all too easy to destroy them. We have lost much goodwill in a country where we have such close historical links, and all our efforts will be required to regain the lost ground.

In a fiercely competitive world, these endeavours will not be assisted by hysterical incantations.

Yours faithfully,
MONTGOMERY OF ALAMEIN,
House of Lords,
January 18.

A tower opposite the Tate

From Mr S. C. Pigott

Sir, Unlike the critics Mr Howard complains of (January 18), I did "encumber my mind with the full facts" of his plan for a hideous building at the Tate Gallery. I saw it as a model of it and lodged my protest with the Inspector of the public inquiry.

But why do architects put every one to the fuss and expense of protest? As professional men they profess to protect the public. Yet, instead of suppressing their own (or their clients') aberrations at conception, they threaten, without inhibition, to ruin more and more of our cities—and suffer no retribution from the Royal Institute of British Architects. The *trahison des clercs* of our generation?

Yours faithfully,
S. C. PIGOTT,
23 Vincent Square, SW1.

needy, as offering economic aid if there can be established "a form of government which will command widespread acceptance throughout both parts of the community". I believe this is also the policy of Her Majesty's Government.

American foreign policy and public opinion supports the determination of our present Government, as Mrs Thatcher rather brusquely put it in her *New York Times* interview, to go to the people if necessary about the heads of "squalid politicians" and to "impose a solution".

Leapman should be aware of all this. He renders to old prejudices. Dr Cahill in his way, and Conor Cruise O'Brien provide amusing copy, but they lead no one. In fact, even the Social Democratic and Labour Party should remember, American pressure is as much on them to reach a settlement as it is on the British Government.

Some American prejudices, to do with federalism, constitutions, divisions and power bills of rights, have some greater relevance to Northern Ireland than our heart-land prejudices on Parliamentary sovereignty.

Yours sincerely,
BERNARD CRICK,
Joint Editor, *The Political Quarterly*,
Birkbeck College,
Gresse Street, W1,
January 17.

Election in Rhodesia

From the Bishop of Mafanaland

Sir, In the heady euphoria of apparent success at the Lancaster House talks in London, the British Foreign Office sent out to Rhodesia a Governor with total responsibility but no power. The British Monitoring Force, outnumbered 20:1 both by the Patriotic Front and Rhodesian troops, can only use persuasion, and is determined never to engage in a fight nor act in defence of law and order.

Consequently not a day has passed here since the nominal ceasefire without its list of murders, and the most flagrant acts of intimidation against the civilian population for political reasons.

Whereas nine months ago there was an election by 64 per cent of the voters which was deemed to be free and fair by the British Government itself, it is now clearly impossible for an election next month to be other than fear-inspired and the victim of venality and force.

To whom, then, will Lord Soames give power, and with what democratic right?

Yours faithfully,
BISHOP OF MAFANALAND,
PO Box 104,
Salisbury,
Rhodesia,
January 14.

Archbishop v Mammon

From Mr Evelyn Talbot-Ponsoney

Sir, Does it not seem a little surprising that a Prime Minister who, on the steps of No 10 after election, quotes a prayer ascribed to St Francis of Assisi, should allow Budget day at over two months' notice to clash with the enthronement of the Archbishop of Canterbury, Primate of the Established Church?

This clash prevents many from attending the enthronement: who would willingly be there and, on the media, will inevitably ensure that the event suffers in comparison as news value with the price of petrol, alcohol or tobacco.

Yours faithfully,
EVELYN TALBOT-PONSENEY,
38 Kilsbury Road,
Berkeley,
Hertfordshire,
January 18.

From Mr C. R. A. Cunliffe

Sir, Why not have the enthronement early and the budget late in the day?

I am, yours truly,
C. R. A. CUNLIFFE,
East India Club,
16 St James's Square, SW1,
January 19.

From the Reverend Richard Giles

Sir, If the Church of England really is the Tory party at prayer, what a strange decision of the Prime Minister to require the Chancellor to make his budget speech entirely alone on March 25, his colleague being on their knees in Canterbury Cathedral.

Yours faithfully,
RICHARD GILES,
St Jude's Vicarage,
Atherstone Avenue,
Peterborough,
January 18.

The sticking point

From Lord Rotherthall

Sir, Mr Fred Emery in his piece about appeasement (January 19) seems to ignore altogether the question, admittedly difficult, of when conciliation becomes appeasement. An important element in any judgement about this is credibility, ie how to make your opponents believe that you have a sticking point.

As far as British industry is concerned, it is very much later than Mr Emery seems to think, if he supposes that it is going to escape catastrophe just by settling the steel strike. Industrial production, excluding oil, has been almost static since 1973, while since then unemployment has remained at levels unheard of since full employment became official policy.

The balance of payments is heavily in deficit despite the large contribution from North Sea oil. Neither the present nor the previous Government have dared to stimulate demand, because although the unemployed want jobs, the community does not want to buy the extra output. It prefers imports.

There is no sign at all of the rehabilitation of industry which would reverse this slide into a real catastrophe as the oil runs out. And at least a considerable factor in bringing about this state of affairs is the belief of many trade unions that they can enforce demands, far in excess of any increase of productivity, by disrupting, or merely threatening to disrupt, the economy.

Yours faithfully,
ROBERTHALL,
73 Carey Mansions,
Rutherford Street, SW1,
January 19.

Making precious metal

From Mr Christopher Weston

Sir, Many of us who are concerned with the identification, appraisal and sale of antiquarian silver and gold, are distressed to see that large quantities of items, which may have significant interest and value, are being melted down and will therefore be lost to future generations.

May I urge your readers to seek the opinion of an old established, reputable and knowledgeable dealer or auctioneer before allowing objects to disappear into the melting pot.

Present owners must stand to gain financially by using caution and seeking sound advice.

Yours faithfully,
CHRISTOPHER WESTON,
Chairman,
Society of Fine Art Auctioneers,
7 Bloomsbury Street,
New Bond Street, W1,
January 21.

UNEASY, UNFRIENDLY BUT NOT INVOLVED

Few countries can compare with Japan in the enduring strength of the loyalties that run throughout its society: loyalties of school, university and workplace, professional loyalties, loyalties of age-group, loyalties to equals and superiors in all walks of life. All these combine—or can combine when circumstances demand it—to make for strong national loyalties.

Thus the revelations about a spy network acting on behalf of the Soviet Union within the intelligence department of Japan's self-defence forces must come as a shock and surprise. Disloyalty of this kind is rare and shameful. In the frequent polls asking the Japanese which foreign countries they favour and which they find less appealing it is the Russians who have consistently earned a low rating. For that reason Japanese resentment over this case will be the more heated. There are few spokesmen at any time in Japan urging warmer relations with the Russians.

General Miyazawa, the leader of the spy ring, had been a Russian-speaking specialist working in intelligence for many years. He had ended the war as a prisoner in Russian hands. There is bound to be a suspicion that his allegiance was engaged at that time. He had retired from the intelligence service six years ago but continued to pass information to the Russians with the help of two assistants still working in the service. No case of comparable importance involving Japanese nationals in

high position has come to light since the war. A year or more ago there were revelations about Japanese fishermen wanting to fish in the Sea of Okhotsk who were found to have bought their passage in some cases by answering questions put to them by Russian officials—but that was less scandalous and much less damaging.

What makes the present case particularly damaging is that the intelligence passed regularly to the Russians concerns not merely Japanese troop strengths and armament. The Russians were much more interested in information about the Americans that had been passed from Washington to the Japanese by virtue of the security treaty between the two countries. This must have been at a notably higher level than the items collected by a Japanese doctor who was caught four years ago interrogating American soldiers to whom he had offered free treatment for venereal diseases. Furthermore, some of the documents passed to the Russians dealt with the military situation in China, information that had been collected by the Americans and passed for information to the Japanese. There is much embarrassment at all this and there may be some resignations in the Japanese Defence Agency.

More immediate will be the fresh tide of anti-Soviet feeling that may follow these revelations. Japanese resentment at their treatment by the Russians in the past two decades, alternately friendly and harshly dismissive

of Japanese claims, has post-pone year after year any formal post-war treaty. With the Soviet invasion of Afghanistan the Japanese now find themselves under pressure to take a strong stance of disapproval. While public opinion may support this the Japanese government may be much less willing to commit itself. In part this follows from the consistent policy of non-involvement since Japan has followed ever since the war. In part it may be a reaction to the circumstances since Japan signed the friendship treaty with China. There were those who feared that Japan would thereby be drawn into the Sino-Soviet conflict wherever and whenever it might surface, as in the case of China's seventeen-day invasion of Vietnam last February. Since then a certain uneasiness has been expressed.

The Japanese have certainly said that they want to be aligned with the West in this matter on which they have been consulting the Germans. That will involve decisions about credit for the Russians that might be postponed or cancelled. Not much more may follow. Of late the Japanese have been more than usually conscious that in their relations with both China and the Soviet Union they are being squeezed from both sides. They do not relish this pressure and are happy to retreat into non-involvement wherever possible. Even a wave of anti-Russian feeling in Japan may not be matched by action of the kind President Carter would welcome.

Going up in the world

From Lady Lockwood

Sir, Miss Broadbent is entirely right (*The Times*, January 14) to criticise the extraordinary omission of women from the Nuffield Social Mobility Survey.

When my Commission was asked to submit evidence on "lower incomes" to the Royal Commission on the Distribution of Income & Wealth in 1977, we were driven to make the following observation:

"... it is necessary to mention a statistical problem which makes it difficult to present a case (on this subject). This is the problem of statistical invisibility of women in statistical sources. . . . The married woman especially disappears from view within such categories as 'household' or 'head of household'. The whole question of economic disadvantage amongst women members of the labour force could be more clearly displayed if women always appeared as a category in the statistical studies". (*Women & Low Incomes*, Equal Opportunities Commission, November, 1977.)

Since then, in collaboration with the Social Science Research Council, we have been considering the possibility of mounting a seminar to explore positive alternatives to the current unsatisfactory state of present statistics, and we hope that such a discussion can be organised in the not too distant future. But we had always hoped that much research, with their much greater freedom in this respect, would be showing the way. Like Miss Broadbent, I can only regret

that the distinguished academics involved in the Nuffield survey have allowed this elementary but, in my view, crippling deficiency to mar a major survey.

Yours faithfully,
LADY LOCKWOOD,
Chairman,
Equal Opportunities Commission,
Overseas House,
Quay Street,
Manchester,
January 17.

Recognizing trade unions

From Mr Leif Mills

Sir, The Government's proposals on changing employment legislation have given rise to a great deal of heat: some of this has been deliberately stoked up by those who seek confrontation, but the major part has been caused by consideration of the practical implications of the proposals.

However, in the discussion on the Government's proposals, little attention has so far been paid to the intention to repeal Sections 11-16 of the Employment Protection Act, which effectively remove the rights of trade unions to refer recognition issues to ACAS along with the powers of award in respect of trade union recognition.

It is a sad fact that are still many employers—and some of these are employers in the financial sector—who found in the financial rights of trade unions a barrier to their Government's proposals are trans-

lated into legislation, then this will mean that the only recourse that the trade unions will have will be to industrial action.

Is this what the Government want?

Yours faithfully,
LEIF MILLS,
General Secretary,
Banking Insurance & Finance Union,
Sheffield House,
Piermouth Road,
Essex,
January 11.

Beverage rapport

From Mr David Burroughs

Sir, Your Correspondent Max Owen (January 14) suggests that "HM's Customs and Excise's 60p per litre levy on imported French wine" is completely contrary to EEC regulations.

If only it were true, we might have some hope of reducing this tax but, as the excise duty is levied equally on English wine as on French, we have not. Worse still, the duty currently levied on a litre of wine is 72p, and has VAT levied on it, bringing the total to 83p before we start paying VAT on the value of the wine itself.

Yours faithfully,
DAVID BURROUGHS,
Chief Executive,
Wine & Spirit Education Trust Ltd,
Five Kings House,
Kenner Wharf Lane,
Upper Thames Street, EC4,
January 14.

Bryant
Industrial
Construction
021 704 5111

■ **Stock markets**
FT Ind 457.7, down 2.1
Fr Cds 69.26, up 0.73

■ **Sterling**
\$2.2840, down 15 points
Index 72.3, up 0.4

■ **Dollar**
Index 64.9, up 0.2

■ **Gold**
\$825 an ounce, down 510

■ **3-month money**
Inter-bank 17 1/2 to 17 1/4
Euro-3 14 1/2 to 14 1/4

IN BRIEF

Zambian
takeover of
petrol and
fuel stocks

Zambia has nationalized petrol and diesel oil stocks worth 14m kwachas (about £7.43m) belonging to five international oil companies, according to a reliable source in Lusaka. The value of the fuel, owned by Agip, Caltex, Mobil, Shell-HP and Total, would be credited to the companies involved.

The Zambian government, which has a half share in the indent oil refinery at Ndola with the Italian ENI company, has also indicated that it plans to open negotiations to buy back the Ndola Oil Storage Co and its installations.

'Crisis cartel' ended
Western Europe's synthetic fibre makers decided to scrap their controversial 1978 market-sharing agreement known as the 'crisis cartel'.

European Community sources in Brussels say. The producers will announce new arrangements in the next few days to reduce total EEC output on a voluntary basis.

Shares suspended
Armstrong Shanks Group, Britain's last independent and largest sanitary ware manufacturer asked for its shares to be suspended, at 56p, yesterday following an approach which may lead to an offer. The company is capitalised at £17.6m and likely bidders include Marley and Hanson Trust, rather than Ceramic Investment of Panama, which has 21 per cent of the Staffordshire group.

Loan for R-R
Lazard Bros yesterday arranged a \$156m (about £88m) loan for R.R. Lines of Miami, United States, to buy them by Rolls-Royce RB 211-535 engines for the 21 Boeing 757 aircraft on order.

Farm loan to China
Nichimen Co, a Japanese trading firm, says it has signed an agreement to provide 3,400 yen (about £6.2m) in loans to China to help finance a large-scale agricultural project in Heilongjiang Province in north-eastern China.

Nissan in \$40m deal
Japan's Nissan Motor Co says in Tokyo it has acquired a 36 per cent interest in Motor Iberica SA, of Spain, by buying some 2.65 million shares from Massey Ferguson of Canada. Motor industry sources said the total cost was about \$40m (about £15m).

Recruits for CBI
The Stock Exchange and the Association of British Travel Agents are among this month's list of new recruits to the Confederation of British Industry.

MG bid delay concern
BL executives are considering how much more time to allow the consortium led by Aston Martin Lagonda, to make an offer for the MG car operations at Abingdon in Oxfordshire.

Dow Jones up 5.63
On the New York Stock Exchange yesterday the Dow Jones industrial average gained 5.63 points to close at 872.18. SDR-2 stood at 1.31975 and SDR-2 at 0.576008.

PO chief opposes any surrender of service to private industry

By Patricia Tisdall
Management Correspondent

A report justifying the Post Office's monopoly of addressed mail has been sent by Sir William Barlow, the chairman, to the Secretary of State for the Industry. The report, which examines possible modifications, was compiled following complaints about deliveries during the summer. Sir Keith Joseph threatened to review the monopoly if services did not improve.

The resulting information is not likely to be made public on the grounds that it contains commercially confidential material. However, it is understood that Sir William rejects the idea of having off any substantial sector of the service to private industry in the belief that it would not be to the general advantage to cream off selected profitable traffic.

The report is separate from the Monopoly Commission investigation into the latter post service, due to be completed in March. This was instigated by Mr John Nott, Secretary of State for Trade, because of concern about declining standards in the London postal area.

Both reports will be used in drafting the new legislation needed to divide the Post Office into two independent corporations. This is expected to be introduced before the end of this year and is likely to give greater scope for private industry to supply apparatus for attachment to the telecommunications network.

Consultations aimed at modifying the Post Office's present exclusive rights in this area are already taking place between the Post Office, manufacturers, trade unions and users.

Financial results for the half year due to be discussed at the corporation's full board meeting today are expected to show that

posts have made a loss of about £12m compared with a profit of over £24m for the same period in 1978-79. Estimates for the 1979-80, however, indicate substantial recovery with posts forecast to reach a profit broadly in line with the target of 2 per cent on turnover.

Considerable thought is being given to the long-term future of the new postal and Giro corporation once it has been split from its more profitable telecommunications partner.

Business users fear that, when asked to make a choice, the most able management and quarters support staff will opt for telecommunications.

They view the tariff increases, due to take effect on February 4, as a possible first step in a spiral of higher prices and declining volume of use.

The influential Post Office Users National Council criticised the corporation last month for not introducing a wider price differential between the new charges for first and second class letters.

POUNC believes that there is scope for raising the volume of mail through improved marketing and pricing policies. Government policy makers are also keenly aware that British use of the letter post (per head) is less than that in other countries such as Belgium, France, the Netherlands or Canada, and only about half that in the United States.

One suggestion has been that private couriers should be allowed to carry urgent mail and charge market prices. This would free the Post Office to introduce a single daily delivery spread over a longer period at present and so improve the utilisation of manpower and plant. At present, private couriers are only legally allowed to carry parcels.

French court rules in favour of Iranians

By Our Economics Staff

Iran has won the latest round in its battle with the Paris branch of the United States bank, Citibank. A French court yesterday rejected an appeal by Citibank against the temporary freezing of just over \$50m (£21m) of its funds held with the Bank of France and the Banque Internationale pour l'Afrique Occidentale.

Bank Marikati of Iran had asked the French courts to freeze the Citibank assets on the grounds that Citibank owed the Iranians \$50m.

The American bank has refused to release this \$50m, held on deposit at its Paris branch by the Iranians, claiming that it is covered by the Presidential freeze on Iranian funds.

Yesterday's court ruling said

that the blocked Citibank funds would be limited to \$51,733,404, adding that this was a "conservative" measure pending the final judgment in the case now being brought by Bank Marikati against Citibank for release of the original \$50m. This is expected to reach the courts again in early March.

Citibank refused to comment last night on its next likely move in the saga.

It had earlier given the impression that it accepted the court ruling to be in its favour. The funds blocked are part of those which it uses for its clearing operations in France. There was no indication yesterday about how the blocking would affect Citibank's ability to carry on business as usual in Paris.

Merchant banking 'club' debates the delicate question of foreign takeovers of members Seeking acceptance by the Accepting Houses

By Andrew Goodrick-Clarke
Financial Editor

Two running takeover bids involving members of the Accepting Houses Committee (AHC) have disturbed the calm atmosphere within this charmed inner circle of British merchant banking.

No one suggests that there is a dispute among the 17 leading merchant banks which make up the committee. But there is a divergence of opinion about whether two members—Singer & Friedlander and Antony Gibbs Holdings, both of whom could fall under the foreign ownership—should be allowed to continue as members.

Members of the committee are showing foresight, since the question has not yet been asked by either of the banks affected. But if the American insurance broker group Morgan & Maclean succeeds with its takeover bid for C.T. Bowring, of which Singer is part, and if the Hongkong and Shanghai Banking Corporation buys the 60 per cent of Gibbs which it does not already own, then the case for continuing membership will have to be decided.

The rules are complicated. The committee set up in 1914 as a sort of club of private bankers, has no written constitution and the benefits of membership are obscure.

It is important enough in terms of status, however, for leading banks to want to belong. Members know that their bills are eligible for re-discounting at the finest possible rates in the money market (but so now are those of other leading banks).

And people who deal with Accepting Houses know that the standing of a member in the banking world is as sound as it could be. Indeed, the Bank of England, with whom the Accepting Houses have always had a close relationship, is understood to ensure that.

On the other hand, in the 1974/75 secondary banking crisis, the Bank saved many banks which were not members of the AHC.

But if the obvious advantages of membership have been whittled away over the years, leading merchant banks continue to guard their AHC status jealously. Singer and Gibbs will almost certainly want to continue to belong, even if they are taken over. That is where the dilemma arises.

The AHC, whose chairman is

Mr John Baring, is a self-electing body, although in practice the Bank of England would approve any new member. AHC members must be full members of the British Bankers' Association, which in turn means that they must (in the view of the Bank of England) be British-controlled.

This has been interpreted as meaning that at least 50 per cent of equity should be in British hands and that no single non-resident should own more than 15 per cent of the equity. EEC banks, however, can take up to 25 per cent of an AHC member. If the takeovers go through, neither Singer nor Gibbs would seem to be eligible for membership—either full membership of the British Bankers' Association or in turn the AHC.

But the rules can be bent; indeed they already are. Gibbs is now owned 40 per cent by the Hongkong and Shanghai. The key to their future membership, therefore, looks like being decided on another important condition of AHC membership—that the conduct of any member bank must be free from day-to-day control by its parent.

There is some "case-law" here. Samuel Montagu, when it

fell into the hands of the Midland Bank, was able to convince AHC and the Bank of England that it would continue to run as an independent unit within Midland. William Brandin, on the other hand, resigned from the AHC in 1975 when it became clear after serious difficulties in the bank that its parent, Grand-lays, could not give Brandin the necessary degree of management independence.

What worries some members of the AHC is that, if the rules can be bent in this way, the whole basis and point of membership could be undermined. The mess which Lloyd's, the insurance market, has got itself into over the question of foreign membership (a question incidentally that also arises in the case of Gibbs which has Lloyd's insurance broking interests) is not one they want to see repeated by the AHC.

Thus the debate goes on within City banking parlours. No decision will be taken until the outcome of the two takeover bids is known.

In the case of Singer, its parent is strongly resisting the American offer, so the question may never arise. But in Gibbs' case, a friendly takeover is

planned. The Hongkong and Shanghai and Gibbs would both like to see Gibbs' membership of the AHC continued, and could well be putting their case to the committee in the spring.



Mr John Baring: in the chair as the Accepting Houses Committee debates foreign ownership.

Gieves of Savile Row is selling offshoot to US buyer for £3.7m

By Alison Mitchell

Gieves Group, the Savile Row tailors and bootbinders, is selling its James Burn Bindings subsidiary for £3.7m and distributing the cash to shareholders. Although the deal took nine months to complete, the deal is a surprise to the stock market where the shares yesterday closed 21p higher at 103p.

Holders of ordinary shares will receive 60p in cash while the preference and "B" preference shareholders will be paid 120p per share, when the deal with Standex International, a United Kingdom subsidiary of the American corporation, goes through.

Among the conditions is a submission to the sale on a commencement of war or armed hostilities involving either Britain or the United States.

The complicated terms of the deal involve Gieves shareholders putting the company

into voluntary liquidation. This avoids both the company and the shareholders paying tax on the deal but results in Gieves temporarily losing its stock market quotation. However, Mr Michael Keeling, the group chairman, said yesterday that the stock market was prepared to give the company its new quote without involving it in the expensive and complicated procedure required by new issues.

James Burn Bindings was taken over by Gieves in 1970. In the six months to July 31 last, pre-tax profits were £388,000 to £289,000 and there is little chance of the downturn being reversed in the second half. However, the chairman is expecting Burn to make around £550,000 for the year to January 31, 1980, against a previous £748,000.

The net tangible assets of the subsidiary—which manufactures metal spine book bindings—amount to £1.2m.

James Burn is the most profitable subsidiary of Gieves which last year turned in pre-tax profits amounting to £1.6m. Without this offshoot the new Gieves Group will consist of the Savile Row men's outfitters Gieves & Hawkes, book and magazine manufacturer Redwood Burn, whose main concern is to print and bind the Guinness Book of Records and motor dealer, publishing and property divisions.

Net current assets of the new group will amount to £4.4m or 77p a share against 144.5p at the time of the last report and accounts.

Standex is Burn's main competitor in the United States, where around 20 per cent of Burn's exports are sold, and was planning to expand into the European market. By taking over the Gieves subsidiary it has found a ready-made manufacturer and market.

Marsh to press Bowring bid

By Richard Allen

Insurance Correspondent

Marsh's bid to take over the United States' largest insurance broker, C.T. Bowring, has decided to press ahead with a £240m takeover bid for British rival C.T. Bowring, despite bitter opposition from the Bowring board.

Marsh said last night that it would be offering \$190 cash and 2.767 of its own shares for every 100 Bowring ordinary. Last night's closing rate puts a value of just under 163p on each Bowring ordinary.

The terms are the same as those put two weeks ago, when the American group sought board approval for a full takeover. Then Bowring's directors discussed the offer as not in the best interests of the British group and described the terms as "inadequate".

Bowring's shares closed unchanged last night at 143p as speculation continued over the American group's ability to overcome regulatory hurdles on both sides of the Atlantic.

Chief among these could be approval of the Lloyd's committee, which at present disallows outside groups from holding generally more than 20 per cent of a Lloyd's member firm. However, Marsh hinted it would be prepared to sell off 75 per cent of the group's Lloyd's broking interests to

satisfy the committee's rule. The offer is also dependent on approval of the Office of Fair Trading and Bank of England consent concerning the future of Singer & Friedlander, Bowring's merchant banking offshoot.

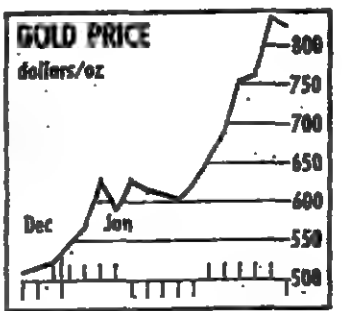
Marsh intends to post offer documents to Bowring shareholders as soon as registration procedures with the United States Securities and Exchange Commission have been completed.

Bowring said last night: "Because of the drop in M & M's share price, coupled with the strength of sterling since then, the offer is now worth even less".

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\$99.50 on Friday afternoon's close, and three-month futures were \$88 up at £1,295.50. At the afternoon close cash wire bars were £121.50 up on the day at £1,318.50 and three-month futures were £85 up at £1,312.50.

Russian sorcerers may be turning lead into gold Moscow finds the Midas touch

As if the gold market was not already in enough turmoil, a new bizarre twist was added yesterday after a report in The New York Times that the Russians had discovered how to turn lead into gold—and at an economic price.

Sorcerers and their apprentices have struggled to do this for hundreds of years without success, which perhaps accounts for the healthy scepticism which laced the report. But the Russians have one advantage which medieval alchemists did not have and that is an understanding of advanced nuclear physics.

Scientists make the process sound quite simple. The nucleus of the lead atom contains 82 protons, only three more than the gold atom with 79. So all you need to do is knock out three of these lead protons and you will be left with gold. You will also, of course, get enough radioactivity as a by-product to wipe out everyone down to the court jester, but that is by the way.

The technology also exists, or

American scientists think it does, to break up the lead atom in the way described and remove the radioactivity.

Uncertainty on this point stems from the fact that the Russians lead the Americans in this particular branch of nuclear physics technology and their particle accelerators—the machines which bombard the lead atom to break it up—are thought to be superior to those in the United States.

But it is one thing to make gold in the laboratory. It is quite another to build a plant capable of mass producing the precious metal, and this is where scientists really are sceptical.

Officials at the National Science Foundation estimate the cost of producing one gram in the way described as anything between \$1,000 and \$1m (£438 and £438,500). Given that there are 30 grams to the ounce, it would seem a poor investment even for an economy which does not have a profit motive.

But the anonymous source of the report claims that the Russians can do it for \$600 an ounce, well below the current market price.

For the moment there is no way of checking. The report came to the West via a Russian scientist who emigrated to Israel. He claims to have worked on the project but, as his identity is being concealed for his protection, he could just as easily have made up the story.

Gold dealers with any time to comment yesterday were far more concerned with the fact that gold opened at yet another New York record of \$845 an ounce than with the possibility that some of the metal might be synthetic.

But one leader did demonstrate the quickness of mind that makes the breed famous. "I didn't believe the story, but I did buy some lead this morning just in case," he said.

Anthony Hilton
in New York

59,228

The 59,228 shareholders of
BOC International have just been sent
their copy of the 1979 Annual Report.
If you would like a copy of this report,
please complete the coupon below.

The 94th Annual Meeting of BOC International Ltd.,
will be held at The Lyric Theatre, Hammersmith,
King Street, London W6 0QL,
on Wednesday 27th February 1980 at 3.00 pm.

To: Investor Relations Department,
BOC International Ltd., Hammersmith House, London W6 9DX.

Please send me a copy of BOC International's 1979 Annual Report.

Name

Address



PRICE CHANGES

Rises

Appleyard 9p to 71p
Burnett & H'shire 15p to 53p
Gieves Grp 21p to 10p
Messina Trans 13p to 191p
Metalex 7p to 56p

Falls

Broken Hill 10p to 67p
E Drieffont 5p to 123p
Elabor 20c to 653c
Grosvont 20c to 900c
Howard & Wynd 15p to 71p

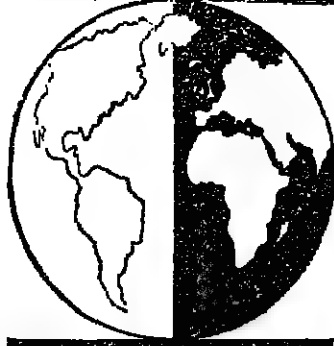
MTM Hides 14p to 305p
Pleasure 14p to 115p
R.T.Z. 22p to 178p
Sotheby P. B. 17p to 495p
14p to 423p

Leah 13c to 350c
Libanion 52p to 52p
Marivale 1p to 105c
Northgate 10p to 545p
SA Land 75c to 800c

THE POUND

	Bank buys	Bank sells
Australia \$	2.12	2.15
Austria Sch	27.75	27.75
Belgium Fr	68.75	65.35
Canada \$	2.71	2.64
Denmark Kr	12.80	12.25
Finland Mk	8.75	8.35
France Fr	9.55	9.15
Germany DM	101.50	96.50
Italy Lira	11.40	10.80
Japan Yen	2010.00	1900.00
Netherlands Gld	575.00	550.00
Norway Kr	11.67	11.60
Portugal Esc	120.00	117.00
South Africa Rd	2.17	1.97
Spain Pta	157.50	150.50
Sweden Kr	9.82	9.42
Switzerland Fr	3.84	3.62
USA \$	2.34	2.28
Yugoslavia Dnr	54.00	50.00

Rates for small denomination bank notes only as supplied by international banks. Different rates apply to business.



Oil crisis threat to stability of EEC

The European Economic Community is threatened with "breakdown" because of the growing disparity in the rates of economic development in member states, according to an expert analysis released in Brussels by the European Commission.

Purpose of the report was to examine the changes in the industrial structure of Europe since the oil price crisis of 1973.

The differences in the ability of member states to adapt to changed circumstances means that the balance of advantage for individual member states in continuing with the construction of Europe has now become so great as to threaten the EEC with collapse.

Certain consequences of the energy crisis have been common to all member states: slower growth, declining investment and rising unemployment. The report says that industry in Britain, with some exceptions such as chemicals and data-processing, was declining even before the 1973 crisis, and this diminished its ability to adapt afterwards.

Mr Nott in Tokyo

Mr John Nott, the British Secretary for Trade, in Japan on a five-day visit, has said in Tokyo that British banking and insurance industries had found some barriers in their efforts to penetrate the Japanese market. Britain would like to see more Japanese investment and exchanges of technology to help reduce the bilateral trade imbalance now in Japan's favour.

Gas prices rise

Canada will raise its export price for natural gas to \$4.47 (about £1.53) per million British thermal units from \$3.45, effective February 17. At the same time, in Amsterdam, Mr Frans Andriessen, the Dutch finance minister, said proposals would soon be made to increase revenue from gas exports.

IISI make more steel

Crude steel production among member countries of the International Iron and Steel Institute rose by nearly 6 per cent last year to 486.96 million tonnes. The IISI member countries account for 98.2 per cent of world production outside the Soviet Union and North Korea.

Middle East oil talks

Dr Mansur al-Obeidi, the United Arab Emirates oil minister, had a day of talks yesterday in Riyadh with the Saudi oil minister Sheikh Ahmed Zaki Yamani on Dr Obeidi's call for an emergency meeting of the Organization of Petroleum Exporting Countries to consider problems arising from the failure of consumer countries to use less oil.

Gas find near Vienna

Austria's state-owned oil company says it has found natural gas at a depth of just over 7,500 metres at Zistersdorf, about 35 kilometres north-east of Vienna.

China's deficit doubles

China's trade deficit doubled to around \$2,000m (about £885m) in 1979 from a 1978 deficit of about \$1,000m, the Japan External Trade Organisation claims in a survey report.

Austria tightens up

Tougher monetary measures in Austria will be unavoidable, Mr Hannes Androsch, the finance minister, said.

Restrictive clauses examined for evidence of over-pricing Competition test for shop leases

Restrictive clauses written into shop leases are under preliminary investigation by the Office of Fair Trading (OFT) in anticipation of new powers when the Competition Bill becomes law.

A case involving a shopping precinct in the north of England is already being looked into by the OFT. It seems likely that this is a peripheral case but has led the OFT into extending its inquiries elsewhere.

Restrictive clauses sometimes lay down categories of goods which the shop tenant should not offer for sale. Or it may be stipulated that classes of goods to be sold must be agreed by the landlord, the detail being left to informal agreement.

In some shopping precincts, agreements stipulating the sale of certain products can be argued as ensuring a balanced "shopping mix". But there has been growing criticism that restrictive clauses can lead to distortion of competition by limiting choice of some types of shop and also allowing over-pricing.

Some sectors are said to be more affected than others, particularly in giftware and fancy goods. This sector includes jewellers and other shops specializing in watches, glassware, silverware and stationery.

Mr Dale Campbell-Savours, Labour MP for Workington, is collecting evidence of leases where he believes higher rents have been charged because restrictive clauses have guaranteed individual traders either exclusivity or a degree of it.



Mrs Sally Oppenheim: closer scrutiny of competition in shopping precincts.

He said: "Restrictive clauses have become a very big problem. A number of retailers are being caught out where landlords, some in London, have bought up whole blocks of property on a high street and insist on knowing what is to be sold."

Mrs Sally Oppenheim, Minister of State for Consumer Affairs, has pointed out during committee hearings on the Competition Bill that the OFT might like to look at the way some local authorities allow municipal shops to be sole providers of some goods.

But she also said that there were difficulties in assessing practices in private shopping precinct developments. Precincts might be set up in response to public

demand on a housing estate, for instance. People were also free to shop elsewhere if goods in a precinct seemed too expensive or if it did not give a sufficiently wide choice. Closer scrutiny would be given for the final draft of the Bill, she said.

The Government's Bill, due to reach report stage in the House of Commons today, will allow Mr Gordon Borrie, Director General of Fair Trading, to act on abuses of market dominance at the local level.

He would also be able to act where there is intent beforehand to distort competition, as might happen before a new shopping precinct actually opened.

A Labour Party attempt to amend the Bill to strengthen Mr Borrie's powers in this sector is expected to be made today. In earlier hearings on the Bill an unsuccessful attempt was made to cover anti-competitive practices that either wholly or partly involved the use of land.

That would bring commercial property arrangements within the scope of the legislation but would also for the first time allow the Director General to look at open air markets and car parks or caravan sites.

In committee the Government has argued that accepting an amendment on the land provision would unjustifiably take the Director General into the complex area of the Rent Acts. It was argued that tenants were offered protection through other legislation.

Derek Harris

Export aid scheme gets time to prove itself

By Edward Townsend

The Market Entry Guarantee Scheme (MEGS), which helps small and medium-sized companies to break into new markets and which could be a casualty of public spending cuts, is to be extended until at least the end of March.

The scheme, launched in January 1978 for an experimental two-year period, has been granted a temporary reprieve to allow its usefulness to be assessed. The British Overseas Trade Board, which administers the MEGS, said yesterday it would announce its long-term position in March.

BOTB officials consider the scheme to have been a worthwhile addition to its range of export services. By the end of last year 172 applications for financial support had been received and 44 agreements finalized.

Under the MEGS formula the BOTB contributes 50 per cent towards eligible costs which include overheads incurred overseas. In return applicants pay a levy on sales receipts to the BOTB.

Any size of company can apply but there is a minimum turnover of £20,000 and a maximum of £100,000 over a period of up to five years.

Although the future of the MEGS remains in doubt, the BOTB said yesterday that applications were still invited during the next few months. The Government's overall export promotion services face spending cuts of £553,000 and a staff reduction of 91 as part of the Civil Service cuts announced.

It is believed that the export intelligence service and the export marketing research services are at risk.

A 'remote cure' for computers

Technology News

An important advance in the "remote diagnosis" of computer systems has been implemented by Digital Equipment Corporation (DEC) at its sales and service office at Basingstoke, Hampshire.

For users of the company's "super-mini" class of computer, DEC is now offering a computer-based system of remote diagnosis on a routine basis as an integral part of its service support.

When something goes wrong with a computer, the first sign of a defect is often a garbled output or an apparent refusal to carry out a task according to the present program. By sitting at a terminal and trying out various routines, an engineer then goes through a process of elimination to track down the defective component in the system.

With the growing use of interconnected computers and terminals using data communications, it is clearly possible for a defect in a computer at one location to be traced by an engineer sitting at a terminal somewhere else, via a telephone connection between the two sites.

Equally, the engineer's process of elimination can be automated so that pre-programmed diagnostic routines can be used. In other words, one computer can be used to diagnose what is wrong with another.

These are the principles of what is known as remote diagnosis. DEC's latest innovation in this field is to introduce the automated version of this technique into the initial telephone conversation by which a customer normally calls for service assistance—and, indeed, into the procedures for routine preventative maintenance.

Introducing DEC's computerized remote diagnosis centre at Basingstoke last week, Mr Darryl Barbe, general manager of the corporation's UK subsidiary, Digital Equipment

Company, said: "To our knowledge this is the first computerized remote diagnostic service of this type in the industry, in that it is computer-controlled from a central system, operates even when the customer's processor is down and is a primary maintenance method, not merely a support tool."

To be precise, the overall service is computer-aided rather than computer-controlled, since the engineer who answers the customer's telephone call for help does an amount of initial diagnosis himself on the basis of the information he is given. This is expressed in the sequence of diagnostic programmes to be used, with the areas judged to be the most likely sources of the defect being tackled first.

The customer's call is made via the Post Office's "Free zone" service to the remote diagnosis centre. After the preliminary identification for the fault, the computerized computer at the centre auto-dials the customer's computer and takes it through the diagnostic tests.

After the system has traced the source of the fault, the diagnostic engineer at Basingstoke, who services the particular customer installation and gives details of the fault and the recommended replacement items needed.

After the field service engineer from the branch office has completed the repair (the faulty item is simply replaced, for full repair within the DEC organization later), he can call up the host computer again for a further computer-to-computer check to ensure the problem has been solved.

At present, the dollar is traded at 47½, except in the case of Turkish oil and fertilizer imports and her agricultural exports, where the rate is 35 lira to the dollar.

The IMF had been pushing both the Ecevit government and that of Demirel for several months to scrap the two-tier system. The bankers said the devaluation would bring the exchange rate to about 10,000 liras to the dollar. The devaluation on the present general rate of 47 to one dollar was expected to be at least 20 per cent, they said.

The consumer prices of petrol, diesel and fuel oil were expected to rise by at least 20 per cent, they added.

The package would include moves aimed at bringing at least 100 billion lira into the treasury by reducing state credits to the loss-making nationalized industries, as well as by cutting state subsidies on some items.

Kenneth Owen

Turkey looks set for devaluation measures

Ankara, Jan 21.—Turkey will announce a package of economic measures within the next few days, including a devaluation of the lira and consumer price rises for petrol and other basic products, Finance Ministry sources said.

The package is aimed at attracting foreign capital to Turkey to meet its oil bill, and will demonstrate the more liberal economic policies of the two-month-old government of Süleyman Demirel, the sources said.

With the measures, the government expects the International Monetary Fund to

release pledged credits to Turkey, which the IMF has held up apparently because of the country's political and economic uncertainty.

In turn, the IMF "green light" should encourage Western banks, governments and institutions to hand over cash aid, granted last year, the sources added.

They said the package had been ready for several weeks, but did not say why its announcement had been delayed.

But Western diplomats here said criticism of the nation's politicians by military chiefs

had held up publication of the measures.

Bankers, meanwhile, said the package is expected to abolish the two-tier exchange rate system for the Turkish lira against the dollar, established by the previous government of Bulent Ecevit last June.

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LETTERS TO THE EDITOR

Subsidies for coking coal in the German steel industry

From Mr P. J. B. Steele

Sir, Reference has been made by the trade union side and its supporters in the present steel industry dispute to subsidies on the coking coal used by the German steel industry, which it is implied, in some way balance the capital and other subsidies given to BSC by HM Government. Readers may care to be further informed on this matter.

Along among the EEC steel makers, those in Germany are formally prevented from importing coal—although it seems likely that successive Labour governments have applied heavy political pressure on BSC to this end. In September and October 1979, the mean price for acceptable grades of coal from the world market was DM177 per tonne, while the prices listed by Ruhr Koble for equivalent grades ranged from DM177 to 187 per tonne. To cushion the impact of this high extra cost on consumers, the British Government receives a subsidy enabling it to sell at a much lower price.

For the period January 79

September 1979 the subsidy was fixed at DM49.70 per tonne. Although substantial, it will be readily seen that this does not cover the difference in price between German coking coal and that obtainable from non-EEC countries, Australia being the cheapest source. The subsidy reduced Ruhr Koble prices to approximately DM127 per tonne.

The difference between that price and the world price was bridged by the two parties, Ruhr Koble and the steel industry who split the difference. Thus in effect in October 1979 the German steel industry was paying DM122 per tonne of coking coal, a few per cent more than the world price. The cost of this exercise to the German taxpayer was probably in excess of DM1,000m in 1979, at prevailing rates of exchange. It is of interest that the cash limit for capital requirements imposed on BSC for 1979-80 was £700m.

It could be argued that the German steel industry benefits indirectly from the subsidy on coking coal in that it can buy domestic coal at well below the

cost price of that material. It would seem more appropriate, however, to regard this as not quite adequate compensation for a costly burden imposed on the industry by the government in preventing imports of cheaper coal.

It could also be reasonably argued that if the German steel industry purchased coal in Australia like their Japanese rivals, this would push up the price of Australian coal on the world market. This, however, ignores the likelihood that the German industry would invest in Australian coal mining if it became a substantial purchaser, thus possibly reducing prices. In short, it does not seem as though the argument that the coking coal subsidy given to the German coal industry is in some way equivalent to the very much greater capital subsidies given to BSC is particularly soundly based.

P. J. B. STEELE, Manager, Market Research Division, Commercial Intelligence Unit Ltd, 27 St James's Place, London, SW1A 1NT.

Takeover threat to the UK insurance houses from American brokers

From Mr R. Ellison

Sir, The largest insurance broker in the world, Marsh & McLennan of New York, has made an offer for the shares of C. T. Bowring, one of the largest United Kingdom insurance brokers. Bowring wish to keep their independence and are fighting the takeover but if the Marsh & McLennan price for the shares is too good to refuse, the British institutions and pension funds, who own a sizeable proportion of the shares, will probably sell.

The Lloyd's of London ruling which prevents outside insurance interests from buying more than 20 per cent of the shares in any Lloyd's broker is probably going to be lifted and if it is not, ways round this ruling have already been found. And so another British company will become American-owned. Meanwhile the wings, other American brokers hide their time for takeover bids of other British insurance companies who, in many cases, also own insurance companies and Lloyd's syndicates.

In the case of Bowring, they also own a merchant bank, a finance house and a small fleet of ships. It is not difficult to foresee these insurance broking takeovers being followed by similar takeovers of the larger British insurance companies by their American counterparts. And once the Lloyd's syndicates, surely it is only a matter of time before Lloyd's of London becomes American dominated.

The British insurance industry is part of this country's financial strength and this can clearly be seen by their contribution to the invisible earnings in the monthly trade balance figures. For example, Bowring's 1978 net exports with overseas insurance premiums brought to the Lloyd's and company insurance market in London.

If British financial institutions such as clearing banks, merchant banks, insurance companies and insurance brokers cannot succeed in matching or improving upon these American bids to keep British-owned and other companies British-owned, should they not be looking to similar financial institutions in Europe so that they can forge a partnership to prevent this American control? And, if sufficient financial support is found, why not a counter-bid for American companies now bidding?

The large premium income emanating from the United States is very important to the Lloyd's and insurance company market in London and from the American point of view, London offers much needed additional capacity and a competitive alternative to their own market. Surely it is better for both sides to continue a good business relationship which has stood the passage of time, rather than initiate takeover proceedings because, at the present time, one side is not getting everything it wants.

Yours faithfully, ROBIN ELLISON, 27 Campden Grove, London, W8.

January 18.

Meaningless and dangerous comparison

From Mr B. G. Ball-Greene

Sir, In his letter of January 10 concerning the steel industry, Mr E. H. Woolf refers to a "dramatic increase" in the "added value" per head between 1978 and 1979. This may well be true, but these figures alone are meaningless—and indeed dangerous—unless accompanied by an indication of how much of the added value was taken by the employees themselves in wages and salaries.

This can be well illustrated by the following comparison between two companies in this group, both of which show progressive increases in added value per head:

Company A	Year 1	Year 2	Year 3
Added value per head	8.5	9.0	9.5
Payroll cost	80.0	88.75	87.5
% of AV	6.3	8.1	8.5
Company B			
Added value per head	77.5	79.2	83.1
Payroll cost	77.5	79.2	83.1
% of AV	100	100	100

Company "A" has a good industrial relations record, is performing well, and is able to offer an incentive scheme based on added value, which can be advantageous to all interests involved.

Company "B" has a poor industrial relations record, is performing poorly, and there have had to be large-scale redundancies.

No further comment should be needed. B. G. BALL-GREENE, Chairman, Unicorn Industries Limited, Castle Hill House, Berkshire SL4 1LY.

Mechanics of money-making

From Mr David Holbrook

Sir, This Monday morning reflection might amuse your readers. I needed a new headlight bulb for my Japanese car. It was changed in 25 minutes, but I had to buy the whole unit. The bill was £10.65. Of this £4 was for "labour". But I believe the garage in question does not pay its mechanics £9.6 per hour.

There was a time, surely, when the headlight bulb could be put in for five bob? Stunned by this bill, I reflected on a letter I had received that morning, offering me an advance for a book, from an American publisher, of £250. I would probably get only half that, less an agent's 10 per cent. But suppose I received all of it, this would amount to a reward of just over a tenth of a penny for every hour spent in writing the book. Or, to put it another way, if I was paid this book at garage mechanics' rates, I would receive £9.36 (this is supposing it took roughly a year to write). Or, at the rate I was charged by my garage, £22.464.

I shall in fact be lucky if the book makes me £1,000. I commend these comparisons to the attention of the Arts Council, and the "literary world" in general.

DAVID HOLBROOK, Haverhill Road, Stapleford, Cambridge CB2 5BX. January 14.

Clearing the air over cigarette advertising

From Mr P. R. J. Sinnott

Sir, In yesterday's Business Diary you ran a piece on Metra's report on cigarette advertising and consumption.

We should like to correct the impression, which some readers may have formed from this, regarding the DRSS's position. The suggestion in the article is that the Department was "galled" at the "attempt to gain official credence" for the report. The fact is that the Department agreed the wording of the report, and the report which mentions them and they raised no objection to the press statement which included the comment about their being satisfied with the technical merit of the investigation. However, we should also make clear that at no time was it implied by the Department or by ourselves that the Department's policy formulation in regard to cigarette advertising would necessarily reflect the findings of the report.

We should also like to clarify our comments on the probable effect of a complete ban on cigarette advertising.

Metra's study was of the statistical association between cigarette advertising and cigarette consumption over the period 1958-1978, and no evidence was found for such an association (ie, on normal statistical criteria). The period studied included some very substantial fluctuations in cigarette advertising (at one point the quarterly figure was roughly halved in 18 months). Of course, statistics deals in levels of probability or improbability rather than certainties, but it does seem very unlikely that fluctuations of up to 50 per cent in advertising cannot be seen to have had an effect on sales, a reduction to zero would have a statistically measurable effect. Strictly speaking, a complete ban is something of which there is no prior experience in this country and its result cannot be predicted for certain, but extrapolation from our results suggests an insignificant effect on sales.

P. R. J. SINNOTT, Metra Consulting, St Mary's House, 42 Vicarage Crescent, London SW11 3LD. January 16.

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Alexanders

DISCOUNT COMPANY LIMITED

Results for 1979

Subject to final audit, the balance of loss for the year after rebate and taxation and making transfers from Contingency and General Reserves amounted to £250,000. (1978—The balance after a transfer from Contingency Reserve, amounted to a credit of £200,000).

After the transfer of £1,000,000 the General Reserve is £4,000,000 (1978—£5,000,000).

A final dividend of 11.501p per share (£82,000) on the £4,889,634 Issued Ordinary Capital is recommended. (1978—11.501p per share £599,900 on Capital £4,861,638). This makes a distribution for the year of £782,000 (1978—£778,000).

The balance of profit carried forward will be £421,000 (1978—£1,461,000).

The fall in MLR early in the year enabled some profit to be made. However the two increases in June and November resulted in heavy depreciation and trading losses. These losses have been met by a reduction in both published and inner reserves. However, in view of the cyclical nature of the Company's business and the large retentions of previous years the Board has decided to maintain the final dividend at last year's level.

The Balance Sheet total at the year end was £468m (1978—£480m). Our bill holding was little changed at £367m (1978—£353m) but the total bill under redaction was £20m (1978—£17m). Sterling CDs holding was only £8m (1978—£38m); our increased holding of Dollar CDs at £22m (1978—£7m) is a consequence of recently opening a New York office. The holding of Gilts was £19m (1978—£5m). Local Authority securities, all of which were of the floating rate type, were £47m (1978—£21m).

1 St Swithin's Lane, London EC4N 8DN

01-526 5467

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Refund of monopolies inquiry costs urged

By Derek Harris

Powers for the Secretary of State for Trade to reimburse costs of individuals or companies cleared after investigation by the Monopolies and Mergers Commission will be used today during the report stage of the Competition Bill.

Hugh Stephenson

BY THE FINANCIAL EDITOR

Some relief for the discount houses

The gilt-edged market continued to run ahead strongly yesterday with gains in long dated stocks running to a further 14 points. Barring some major disaster today, that should ensure that both new gilt issues and the market tending to favour the £25 paid despite the fact that prospective investors are almost certainly going to have to pitch their bids some way above the minimum tender price.

That is not to say that the short-dated stock looks unattractive against the market. There is some question here, however, as to the availability of money for the stock from the banking sector not to mention the issue of the discount houses' confidence to over expose themselves to risk after the savaging they took at the end of last year.

Money considerations must presumably start to apply at the longer end of the market too at some stage. Certainly, inflows of new money to the long-term institutions have been strong recently, and many fund managers will be prepared to run down liquidity if they are now confident that the gilt edged market can go only one way this year.

In addition, the behaviour of sterling yesterday suggested that overseas money may be coming back into the ring. Even so, this market must be set to take a longer pause for breath before too long. If tomorrow's long stock goes on application, it would be no surprise to see a large fully paid issue.

Meanwhile, the recovery in the gilt market and the fall in period rates must have brought at least some relief to the discount houses, albeit that they may be treading gingerly. Some houses may have read their crystal balls rather better than others last autumn but the three-point rise in M.L.R. in November must still have proved costly.

Certainly, Alexanders were making no bones yesterday about the fact that M.L.R. rose rather more sharply than they had been expecting and on this occasion their year end (December 31) could not have fallen at a more ill-timed moment in terms of the capital value of their book.

The net result is that there is an after-tax loss of £250,000 after a £1m transfer from general reserve and an unspecified transfer from inner reserves. With trading conditions better since the year end, and particularly active and profitable in the commercial bill market, the group has, however, maintained its dividend.

The hope must be that this year will be significantly better on the back of falling interest rates. With something of a question mark over their future role in a reformed monetary system, the houses must have a strong desire to rebuild their reserves as quickly as possible. The uncertainty is reflected in Alexanders' yield of 10.9 per cent with the shares at 209p.

The Bowring bid

An offer on the table

Undismayed by the out and out rejection of the Bowring bid, Marsh & McLennan has decided to go to shareholders on the same bid terms that it proposed to the British group a fortnight ago.

From this side of the Atlantic those terms look a shade less exciting than they did two weeks ago, thanks to further dollar weakness and some slippage in M & M's Wall Street rating. The cash and share offer now works out at slightly under 163p per Bowring share compared with over 165p originally.

And with no suggestion of underwriting as yet for the share element of the Marsh bid both for the exchange factor and Wall Street thinking on the takeover could prove crucial over the next few weeks. New York analysts are generally sceptical about disputed takeovers in insurance broking and their views could put further downward pressure on the United States group's rating and thus the value of the Bowring bid.

Although Bowring cannot count on many allies among United Kingdom shareholders, success for Marsh would begin to look extremely doubtful if the offer slipped below 160p.

Among a welter of conditional clauses—

some 16 in all—Marsh declares that the bid would be dependant on Lloyd's approval. But it has clearly been given at least tacit approval to go along the same route as Frank B. Hall in its takeover of Leslie & Godwin, and divest itself of 75 per cent of the Lloyd's broking interests. That is of course unless Lloyd's rules on foreign ownership change as a result of the Fisher Report due in April.

Meanwhile, the Bowring board is clearly girding itself for a battle royal, while for its part, the market is concerning itself purely with price. The shares at 143p, unmoved by the Marsh announcement are still signalling doubts.

Dividends

To cut or not to cut?

After a year in which dividends will probably have risen by over 20 per cent—largely thanks to the once-and-for-all payments that companies like BP, Shell and Unilever made once dividend controls came to an end, which bumped up payments for the third quarter of 1979 by 40 per cent—the question for companies now is what they do about their dividend payments hereafter. Profits are certainly going to be less buoyant this year, and in some industries—engineering, textiles, specialist chemicals—they can be expected to fall, even under historic cost accounting.

Apply current cost accounting instead—as most large companies are likely to have to do for accounting periods beginning in 1980—and the profits of a fair number of quoted companies are going to disappear altogether.

As to what they should do about their dividends under these circumstances, opinions are sharply divided. First there are the shareholders who want to see dividends rise regardless, or, at the very worst, stand still. They argue that this sort of cyclical fluctuation in profit is essentially short-term, and that there is no reason why their own cash flow should be similarly affected.

It is an argument which tends to be loud in the land when profits are on the way down, and conspicuous by its absence when they are on the way up. Nevertheless, it is not entirely without merit. It assumes a relationship between a company and its shareholders similar to that which applies in Germany: the company looks after the interests of its shareholders through thick and thin; and the shareholders responded by supporting the company likewise.

As it is, few companies in Britain could contemplate giving such a guarantee, even if shareholders were prepared to make a reciprocal commitment: in most cases their real (inflation adjusted) return on capital is too low to give such hostages to fortune. Given an acceptance in principle that dividends will fluctuate, the purists would then have them cut out altogether unless the company is making a real return on capital sufficient to cover them.

The argument here is simple enough: if the company pays dividends which have not been generated out of profits, it is effectively eating into its own assets; and though shareholders may not notice the results immediately, they will be reflected sooner or later in the price that they can get for their shares.

The third strand of argument, developed most recently by de Zoete & Bevan, holds that inflation makes it difficult for a company to obtain a real return on assets, partly because those assets themselves are rising in value; and that it is legitimate for a company to distribute to shareholders, some of the benefits of that increase in value. The problem here, however, is that in the last analysis those assets are worth what they will earn, or what someone else will pay for them; and judging in the meantime how much can safely be distributed makes management's task worse than ever.

In the meantime, the probability is that dividends will rise by a great deal less this year—Phillips & Drew suggest by an average 5 per cent, with average cover of somewhere between one and 1½ times on an inflation adjusted basis. The implication is that the payout is going to decline (once again) in real terms. So much for equities as a hedge against inflation.

If one were to talk of a major difference of opinion between the Treasury and the Bank of England on the subject of control of the monetary system, one would be accused of engaging in the sort of sensationalism that gives the media a bad name. So I shall avoid that pitfall and confine myself to the observations that the Bank of England's first draft of the long awaited consultative document on monetary control was received with less than total enthusiasm when it reached the Treasury last month; that the Treasury is said to be working on a re-draft of its own; that Mrs Thatcher cannot understand why it is all taking such a long time; and that the consultative document, when it goes out, will be a joint Treasury Bank of England paper.

A key to the nature of the differences can be gleaned from a phrase used by Mr Nigel Lawson, Financial Secretary to the Treasury, in his City dinner speech last Friday. At the end of his remarks about the Government's determination, having willed the ends of anti-inflation not to shrink from the means, he said "and through them, with whatever marginal improvements

in technique we may find from time to time, we can and will achieve our objectives".

In short the impression is given that the Bank of England's concern is with the techniques of monetary control and measurement; while Treasury ministers at least are much more concerned about the application of monetary policy, and regard the techniques as something best relegated to a technical appendix in the consultative document.

In the realm of policy the central problem never changes. It is that you cannot at one and the same time control the volume of money and its price. The logic of everything the Government says about its monetary policy implies that the price (ie, the interest rate level) is the independent variable. The problem always, however, is that in practice authorities in the market place can never quite bring themselves to accept that they should not have a target for the rate of interest.

The second area of strain between the Bank and the Treasury relates to the marketing of the Government's debt. Looked at from the Bank the present situation is strangely like the period in 1976 when Treasury officials and then Labour ministers were taking the line that technical market incompetence

was to blame for the gross instability of interest rates. Now Treasury officials and Conservative ministers seem to be making much the same noises.

The Bank, if precedent is anything to go by, will be dusting down the same basic answers. It doubts deep down whether changes in the technique for marketing debt will make any significant improvement. It points to the fact that in the end it manages to handle a huge volume of debt, new and old, each year. It is willing to try experiments, like a limited tender system, if only to keep critics satisfied and to show that they do little to alter basic realities. And it argues that the real problem is the size and nature of the Government's borrowing requirement and that nothing will come right until that is reduced.

All of which is true, so far as it goes. But it ignores one inescapable fact, namely that the primary market for government debt is not functioning properly. Whenever one points this out, much huffing and puffing ensues. But the first test of an efficiently functioning capital market is that it should provide continuous dealing at prices which do not move excessively between one transaction and the next.

In contrast to this test of technical

market efficiency, the primary gilt market has regularly ceased to function at all: prices have not adjusted by gradual steps; and, at times, a minor change in price has made the difference between the Government broker being unable to do business for weeks on end and his being overwhelmed by buyers. Certainly the size of the Government's borrowing makes all this worse, but it does not create the fundamental problem.

In the end, of course, the market absorbs all the new debt that the Government wants to raise in the year, which makes the roller-coaster of sales and interest rates in the intervening months all the more undesirable. The situation arises because it is a very curious market, dominated by just one large seller (the Government) and a number of institutional buyers, all of whom tend to do the same thing at the same time.

Given this curious market, it is pointless to take one side or the other for what happens. It were better if the authorities and the institutions approached with a more positive and open mind than they have in the past proposals as to how the roller-coaster path of gilt sales during the year could be smoothed. That would be more than a marginal improvement in technique.

Fred Singleton describes the political tensions and economic weaknesses which could cause problems after President Tito's death

How vulnerable is Yugoslavia?

The news of President Tito's serious illness came at a time when relations between East and West were at their lowest ebb for many years. Inevitably, the consequences of his death both for Yugoslavia and for world peace are seen in the context of big power tensions. President Carter has long gotten his policy statement of 1976, which said that the United States would not intervene to help Yugoslavia in the event of a Soviet attack, and he has now joined the chorus of "hands off Yugoslavia", which is being sung by a variety of political leaders from Mrs Thatcher on the right to Mr Enver Hoxha, the Albanian leader, on the left.

The foreign ministers of the European Economic Community meeting a few days after the news of Tito's illness, have also changed their tune and instructed their negotiators to reach a rapid agreement on the terms of the EEC's relations with Yugoslavia. These negotiations have been dragging on for more than two years—so long in fact that the five-year agreement reached in 1973 has had to be indefinitely extended until new terms can be settled.

Yugoslavia's economy depends heavily on trade with western Europe and the combined effects of the oil crisis, world economic recession and EEC protectionism have had serious repercussions in Yugoslavia.

The Yugoslavs have been struggling to maintain the momentum of their industrialization drive in spite of the unfavourable world climate. This has involved them in a huge trade deficit with the developed world, and especially the EEC, which supplies them with capital goods, modern technology and even some of the raw materials needed to feed their growing industries.

Unfortunately, the EEC will not take sufficient Yugoslav exports to meet the cost of these imports. Last year, exports to the EEC paid for only 35 per cent of imports.

Though Yugoslavs have from time to time hinted during the negotiations that, if the West will not help them, they will be forced to look either to their partners in Comecon (Yugoslavia has a form of association which falls short of full membership) or to the third world, this is not a reasonable option. Comecon countries already take more than 40 per cent of exports, compared with the EEC's 23 per cent, but they cannot supply Yugoslavia with the industrial goods now imported from the West.

The deficit with the EEC is



President Tito sitting alone: he has no clear successor and there are fears that Yugoslavia's unity will be at risk when his unique influence has been lost.

partly covered by invisibles such as income from tourism, remittances of Yugoslav workers in West Europe and from transport earnings.

On only three occasions since the economic reforms of 1965 (which opened up the economy to international competition) has Yugoslavia's balance of payments been in the black.

In the past few years it has been over \$1,000m in deficit. In order to cover this Yugoslavia has borrowed heavily, its loan repayments last year amounting to \$1,800m. Last September many of the creditors assembled in Belgrade for the International Monetary Fund/World Bank annual meeting and the Yugoslavs took the opportunity to negotiate a rescheduling of their debt, in order to lessen the immediate burden.

The Yugoslav authorities have been making desperate efforts to stabilize the economy, while at the same time maintaining an industrial growth rate of about 8 per cent. Their problems include one which are old acquaintances of the British, such as inflation, now 30 per cent, unemployment, now 800,000 or 15 per cent of the public sector work force; and low productivity.

There are some special Yugoslav features. These include a cumbersome machinery of decision-making through

the decentralized system of self-management. This may be democratic, but does not make for economic consistency and frequently requires the intervention of the state, as with last year's stabilization programme, which affected prices and included curbs on investment and control of imports.

According to Yugoslav theory, the state should take a back seat and allow decision on the economy to be taken through self-management agreements and social compacts negotiated between autonomous "organizations of associated labour" under the gentle persuasion of various political bodies, including the League of Communists. The late Mr Edward Kardelj, one of Tito's closest associates for 40 years, believed that self-management would transcend the national tensions which

have in the past threatened national unity.

One of the most serious causes of weakness arises from the gap in living standards between the industrially developed northern republics, which once belonged to Austria-Hungary, and those of the south, which were under Turkish rule for 500 years. There are still large cultural differences between the peoples of the federation and these economic inequalities can give rise to tensions which may threaten the unity of the country.

To make the most extreme example, the gap between the per capita income of the Albanian-speaking, mainly Muslim, peoples of the province of Kosovo and the Roman Catholic Slovenes at the top end of the scale is now one to six. In 1947 it was one to three.

It was a constant theme of

President Tito's speeches on his journeys round Yugoslavia during recent years that the preservation of the brotherhood and unity of the Yugoslav people must include a leveling up of those living in the poorest areas.

The haste with which the EEC ministers agreed to break the log jam which held up the agreement with Yugoslavia suggests that they at last realize that the threat to Yugoslavia integrity may not come from Soviet military intervention, but from internal tensions made worse by severe economic problems. There is no doubt that concessions will be made to allow more Yugoslav goods to enter the EEC and that there will be more loans and the encouragement of joint EEC-Yugoslav enterprises.

Unless this happens, a worsening of economic conditions in the aftermath of Tito's death will provide opportunities for outsiders to fish in troubled waters. Mr Brezhnev does not like Tito's non-aligned policy and would no doubt hope for a pro-Soviet regime which would attach Yugoslavia to the eastern block. There are emigre nationalists in the West—especially the Croats—who would like to see federal Yugoslavia disintegrate.

The Bulgarians also have claims on Yugoslav Macedonia which have been encouraged from time to time by the Soviet Union.

There are plenty of centrifugal forces to be contained, but there are also reasons for optimism. Yugoslavia usually sinks their differences in the face of outside threats. Tito has since 1970 prepared his successors for the problems which he will leave behind.

There is reason to hope that the world's leaders are now realizing that a strong, prosperous, non-aligned Yugoslavia provides a better basis for European peace than a weak, divided country dominated by one or other of the major powers.

The author is Reader in Yugoslav Studies at the University of Bradford.

Helping the world's poor to feed themselves

Andrew Lycett

The United Nations newest autonomous agency has entered its third year of operation and is beginning to find its feet. The International Fund for Agricultural Development (IFAD) was conceived in the wake of the 1974 World Food Conference which identified the need for a special United Nations agency devoted entirely to funding food production in the poorest regions of developing countries.

As the conference noted at the time, it was these countries which often failed to match population growth with increases in agricultural output, requiring them to import expensive foodstuffs, mainly from the western world.

The situation was bad enough in 1974; it is worse now. As the fund's president, Abdelmuhsein al-Sudary, from Saudi Arabia said in his address to the fund's governing council in Rome last week, food production per capita in developing countries has grown by only 0.6 per cent in the years from 1970 to 1978 (the same as in the sixties) and in Africa it has actually fallen by 1.2 per cent.

In 1977/78 developing countries had to import 70 million tons of grain to feed their people, compared with 30 million tons in 1969/71 and this deficit is expected to rise to 91 million tons by 1990. But the fund is making a start and in a novel manner. In 1974 members of the Organisation of Petroleum Exporting Countries were just beginning to understand the extent of the political and economic power resulting from their oil price increases in the previous year. The World Food Conference wanted their cash. They were determined not to give it away for nothing.

The oil producers demanded a fundamental restructuring of the traditional United Nations agency set-up if they were to part with their money in the way expected.

Seeing perhaps a means of enhancing their prestige among third world countries, the Opec members lobbied for a tripartite system. Executive authority would be vested in a 24-man council made up of eight members each from industrialized, oil producing and developing countries.

Wrangling over some of the finer details held up inauguration of the fund, but eventually, in December, 1977, IFAD

about the eventual beneficiaries of its aid. Aware of the tendency of most development assistance to go to urban dwellers or, if it reaches the countryside, only richer farmers, the fund has prevailed on the Pakistan Government, for example, to agree that its Small Farmers Credit Project (to which IFAD has contributed \$30m) should benefit only farmers with fewer than 25 hectares.

In Nicaragua a \$10m loan will go to help those with less than 10 hectares of land, and another \$500,000 is earmarked for local institutions to ensure that the larger sum gets to its rightful destination.

But the typical IFAD project is an integrated rural development scheme. It may involve a loan to Sierra Leone to help 6,000 farm families will benefit from better agricultural practices and facilities, including credit and marketing networks, and further 25,000 people from associated improvements from associated improvements.

Not everyone has been pleased about IFAD's progress. Some industrialized countries believe it is too eager to rid itself of its funds. Cooperating agencies such as the United Nations Food and Agriculture Organisation, have sometimes seen it more as a competitor than an ally in the hunt for suitable development projects.

There is doubt now about the oil producers' continued strong commitment after last week's decision to reconstitute the \$1,600m Opec Special Fund (through which oil-producing countries channel their aid for IFAD) as a project implementing agency in its own right.

Recipient nations have no complaints, however, and praise has come from nations as divergent as Britain, which offered IFAD an avuncular pat on the head at last week's governing council, and China, which chose the occasion to make its first application to join and contribute towards an international financial agency.

Many other countries supported the idea of replenishment at the end of 1980, without committing themselves to any figures. The fund itself has estimated its requirements for the next three years at \$1,500m to \$2,000m.

It deserves another chance to show its worth. But is there still the worldwide political will to raise food production that there was in 1974?

Business Diary: An immovable feast? • Brighton hopes

It is a hard decision for those whose diaries have the double entry of Westminster and Canterbury next to the date, March 25.

Better to be preached at by a priest than a politician? Better not to have to make the choice at all.

Those who plump for Canterbury will see the environment of Dr Robert Runcie as the new Archbishop of Canterbury. The rest will exchange a state of grace for a graceless state in the Commons to hear the Chancellor outline his Budget.

Judging by the early indications of what the Chancellor has in store for us, it seems clear that the presence of God would be appreciated at both occasions.

What remains unclear is why this sad clash, with its attendant dilemmas for our parliamentarians, not to say our newspaper schedulers, should have arisen in the first place.

The date of the enthronement could not be changed. It was announced some months ago by the Dean and Chapter of Canterbury.

So why not, one asks, change the date of the Budget? The Prime Minister wants an announcement before Easter, which precludes any other week than that of the 25th. Why not then have a Budget on the Monday or Tuesday, the other for major government announcements?

A Tuesday Budget, the Treasury told me, is "a de facto rule which has been observed in practically all occasions"—except for 1963 and a few years before, when the announcement came on a Wednesday, though

no one appears to know why. The Treasury rule out a Monday Budget on the grounds that the Cabinet meeting which always precedes it would then have to take place on the previous Friday because ministers would be unwilling to meet over the weekend.

Utterly trustworthy as ministers are, no one wants them walking around with such a mass of secret details in their heads for a couple of days. There is also the question of telling the monarch, whose weekend would presumably be disturbed by a Monday Budget. As head of the church she might have welcomed the opportunity in this case, but we will let that pass.

Wednesday, Thursday and Friday are out because they would extend the debate following the Budget into the next week. Yes, the Treasury does realize that even with the usual Tuesday Budget, the debate inevitably carries over into the following Monday, but it is a trend which it does not wish to encourage.

So Tuesday it is to be and the ceremony at Canterbury must take place without its full quota of politicians, whose presence, though not mandatory, is customary, especially in the case of many, who are members of the Church Commissioners.

The traditions of the Church, it seems, must give way before the traditions of the Treasury.

A hazard of the electronic age facing Florida storekeepers, with their large number of retired patrons, is underlined by a sign at the entrance to a Key West grocer: "Pacemaker wearers are warned that microwave oven is in operation on these premises".

● The Independent Broadcasting Authority will have a new deputy chairman on February 1 in the shape of Lord Thomson of Monifieth, the former Commonwealth Secretary (when he was the MP, George Thomson), EEC Commissioner and political correspondent of the London Evening News.

And Lord Thomson has retained one diary date from his previous appointment as chairman of the Advertising Standards Authority.

On April 28 he will lead a workshop at the Advertising Association conference at Brighton on the sticky problem of how to deal with the advertising world's grey areas, notably drink and tobacco.

The IBA, of course, though it has a reputation for a tough line on what it regards as damaging advertising, relies on the advertising world for its income and this adds extra piquancy to what should prove a stimulating outing for the ad men.

Lord Thomson's role, if interesting, may prove of second degree significance. John Nott, the Secretary of State for Trade, is to open the conference and the advertising people hope that he will use this opportunity to say a few words about the Government's attitude towards the industry.

Ad men usually feel unloved and during the last Government's stint, with Roy Hattersley stepping on their toes at regular intervals, they had reason to.

The new Government, however, has proved less than forthcoming about its feelings and coming will be many anxious figures in the Brighton Centre hoping that Nott will welcome them back into the fold.

companies are concerned, except for the creation of a breakfast-time news channel.

● It has taken ten years but the Government's flagship in the world of trade magazines has finally won a decent-sounding title.

The next issue of the Department of Industry weekly will be called *British Business*, a distinct improvement on *Trade and Industry*, which was itself a good deal better as a title than the original *Board of Trade Journal*.

Managing editor Alan Williams said that the change reflected the magazine's development over the years and its documentation of government activities and statistics has certainly won it a healthy readership.

The circulation is 14,000, the readership is estimated at 50,000 and, unusually for government publications, it pays for itself.

People go to Reno and Las Vegas for the gambling tables not the drink, a point which has not been lost on the United States Treasury's Bureau of Alcohol, Tobacco and Firearms. Some time ago they swooped on one of the most expensive of Nevada's casino hotels, the MGM Grand in Reno which they found had been refitting bottles of spirits with cheap drink and reclaiming the contents of half-drunk glasses. The MGM Grand has decided to settle matters with the Treasury out of court for \$125,000, the largest settlement ever in such a case.

David Hewson

Lord Thomson of Monifieth.

Between the two of them, Nott and Lord Thomson could do more to raise the advertising industry's spirits than a host of new accounts. One can only hope that no one will be disappointed.

Lord Thomson's brief sojourn in Brighton should provide a pleasant break from the IBA's increasingly fraught headquarters opposite Harrods in Knightsbridge.

In the next 12 months the authority has to consider and judge all the applications for commercial television company franchises which will be advertised later this week and cover the groundwork for the creation of the new Fourth Channel. The IBA workload may have doubled but the number of staff has not.

Television executives expect the overworked IBA to go largely for a policy of non-change as far as the present

FINANCIAL NEWS AND MARKET REPORTS

'No concert party' at St Piran

By Michael Prest

Mr Malcolm Stone, recently appointed chairman of the controversial St Piran mining and property group, yesterday refused suggestions made in a Takeover Panel submission that his company is controlled by a "concert party" headed by the Far East financier, Mr J. J. Raper.

At the same time, Mr Stone outlined his plans for meeting consistent criticism by shareholders of a number of investments and deals in Australia, South East Asia and Hongkong. Mr Stone said he did not expect that St Piran's next report would contain any auditors' qualifications.

Fairmont State, a Thai company, will repay loans to St Piran and to Siam Vidyha, another Thai company. It will also repatriate profits owing to St Piran and pay management fees to St Piran Hongkong, wholly owned by St Piran. Fairmont will raise capital to develop its activities, leaving St Piran with 43 per cent.

Similar action is to be taken in St Piran's two other most contentious areas, Australia and Hongkong. All interests in Australia will be liquidated, Mr Stone admitting that the company's attempt to buy control

of Metals Exploration through Mid-East Minerals and Daymin Investments, both Australian companies, had been a mistake.

St Piran is in addition to abandon property development in Hongkong, leaving St Piran Hongkong as the holding company for the Far Eastern interests. Among these is tin dredging in Malaysia, which Mr Stone intends to expand.

But Mr Stone admitted that the current Department of Trade enquiry into the group had damaged its business. Bankers had demanded collateral for loans, which had been provided, and the pressures to which the board had been subjected had resulted in several resignations. Nevertheless, Mr Stone intends to stay and has asked his board not to resign.

He sees no conflict between being chairman of St Piran and managing director of Gasco Investments, a Hongkong company that holds 25.6 per cent of St Piran. Gasco, whose chairman and majority shareholder is Mr Raper, is at the centre of shareholder allegations that in concert with Ruffell, Luxembourg company, and Aerolinas Cordoba, a Panama company, direction of St Piran is in the hands of overseas nominees directed by Mr Raper.

Stock markets

Bold start but some profit taking evident by close

Undeterred by cautious week-end comment, the gilt edged and ordinary shares went ahead yesterday, simply carrying on where they left off last week. But second thoughts, at least in equities, gained the upper hand towards the close as some buyers took their profits.

Gilt edged were spurred by hopes of lower interest rates and many dealers are taking seriously ministerial protestations about cutting Government spending by a further £2,000m and of increasing revenue from duties and taxes. They therefore look forward to a reduction in the flood of gilt edged stocks, depressing prices and siphoning off money that would otherwise have gone into shares.

Operators have also remembered that Sir Geoffrey Howe, the Chancellor, is bent on a Budget (March 25) that will do something for investors, possibly by mitigating capital transfer tax, as well as gains tax and stamp duty, though the last is a good revenue earner. So few people are selling.

Apart from an investors' budget operators were also going for an early steel peace. However there was again no concrete sign of one and confidence ebbed as the day wore on. Gilt rose by up to £2 but best gains were not held while

short dated stocks climbed by up to £1 before conceding half their gains. Observers predict a warm welcome for the two new top stocks next Wednesday, if the present mood of confidence persists.

The Jones dated tap in particular will have more than three weeks to run in £25 paid

Pleasurama jumped 22p to 178p. It is understood that Mr Eddie Thomas, managing director, has been appointed on Saturday. Operators moved in sniffing a bid as his shares came on to the market. Grand Met has 30 per cent. However it is thought that he was not a big shareholder.

form and could attract a good speculative following.

Shares started cautiously and at the 10 am calculation the FT index was 3.0 down at 456.8. At 3 pm it was, however, 3.0 up at 461.3 but many leaders boiled over and at the close the FT index was down 2.1 at 457.7.

Leading industrials encountered some buying after a slow start but this had fizzled out by lunch time and most showed net falls on the day at the close. ICI at 37p and BAT at 268p were both 2p off a slide of 4p to 47p was experienced by Unilever. Hawker Siddeley

improved 2p to 190p and Glaxo at 47p and Beecham at 125p both remained firm. Further buying was experienced in Fisons, an active stock of late, rising 2p to 285p, after 295p, making dealers now think twice about the talk of a possible takeover from the German giant BASF.

The Decca twins improved 5p better in the ordinary at 350p and 4p firmer in the "A" at 300p prompted further by Friday's announcements of its interim figures, the sale of its PolyGram subsidiary and the expected talks with Rael, unchanged at 204p. The market now believes that the terms should arrive some time this

week but they might still be some way from most expectations. GEC which has been tipped to make a counter bid for Decca formed 1p to 353p.

Elsewhere in electricals Electrolux continued to make headway in a thin market rising 2p to 47p but Muthhead remained nervous ahead of this week's figures sliding 8p to 228p.

At the same time, shares of Cray Electronics were suspended at 35p prior to the release of a "disappointing" set of interim figures and the announcement that an unnamed suitor was making a bid for the 70 per cent held by Capital for Industry.

Shares of Armitage Shanks were also suspended at 56p following an approach from a "United Kingdom-based company" and follows takeover attempt by G. & R. Johnson.

Richard Tiles Pleasurama leapt 22p to 178p as speculation mounted following the death of the chairman.

Adverse comment provided upsets for Saga Holidays down 197p, Horizon Travel 4p off at 228p, and 5p from Kennedy Smale at 73p. Talk of an inquiry into share dealings in Howard & Wyndham knocked 1p from the shares to 71p and share changes and profits setback clipped 4p from Kitchen Queen 4p off at 23p.

Press comment and speculative buying provided firm support in Metallax 7p stronger at 56p, Valor 21p to 66p, and Associated Newspapers 4p to 294p.

Among companies reporting Alexander Discount rose 2p to 205p after satisfactory figures for the full year and Cent Northern Investment Trust improved 2p to 102p, in an otherwise firm sector, after an extra dividend payment.

De La Rue continue to go on and upward. The shares rose a further 5p to 610p. At one time last year they were 320p. The obvious attraction is the banknote printing but the development of a new computer controlled printing system called Lasergraver is part of Croft Electronics which could, some say, earn half group profits in a few years.

Equity turnover on January 18, was £181,566m (20,996 bar-gains). Active stocks yesterday, according to the Exchange Telegraph, were R.T., Tricent, Premier Cons, Western Mining, ICI, Beecham, Lombar, Barclays, National Westminster, P & O, DTA, Imperial Continental Gas, Fisons, Great Universal Stores and Johnson Matthey.

Latest results

Company	Sales	Profit	Earnings	Div	Pay	Year's
£m	£m	£m	per share	pence	date	total
Imperial Chemical	1,097.23	0.75(0.75)	11/4	—	—	—
Glaxo	1,451(2,31)	0.6(—)	7/4	0.9(—)	—	—
Cray Electronics	5.8(5.2)	2.45(1.3)	28/2	3.7(3.1)	—	—
Decca	3.9(4.2)	0.4(0.41)	2/4	0.84(0.64)	—	—
Crutcher	—	—	—	—	—	—
Crutcher	—	—	—	—	—	—
Crutcher	—	—	—	—	—	—
Crutcher	—	—	—	—	—	—
Crutcher	—	—	—	—	—	—
Crutcher	—	—	—	—	—	—
Crutcher	—	—	—	—	—	—

Dividends in this table are shown net of tax on pre-tax profits. Elsewhere in Business News are shown on a gross basis. To establish gross multiply the net dividend by 1.428. Profits are shown pre-tax and earnings are net. a=loss, b=income and surplus on sales.

Creditors oppose winding-up of Gilmore

A group of creditors with claims totalling almost £83,000 against Gilmore and Partners (Smithfield), the meat firm which collapsed in December, are challenging a petition to wind up the company compulsorily, the High Court heard yesterday.

Mr Justice Dillon adjourned the petition for two weeks to allow the opposing creditors to put in evidence.

Mr Eban Hamilton, counsel for the petitioners, Trans Oceanic Meat Company—trade creditors for £11,000, said that Gilmore and Partners had been placed in creditors' voluntary liquidation after the presentation of the petition on December 11.

But Trans Oceanic, and two supporting creditors with debts totalling £629,000, were "not content" that the voluntary winding-up should continue.

Miss Mary Arden, who appeared for five opposing creditors with claims totalling £651,000, said that three others had written to her instructing solicitors saying they also wished to oppose.

Mystery bidder stalking Cray

By Philip Robinson

A mystery United Kingdom company is stalking precision engineer and specialist pump maker Cray Electronics.

The Kent-based group called a halt to share dealings yesterday lunchtime at 35p as majority shareholder, international finance group Grindlays Holdings, announced that discussions had reached an advanced stage.

The predator, which Grindlays says wishes to remain anonymous, wants to buy the group's industrial holding company, Capital for Industry, a five-subsidy electrical and mechanical engineering concern employing 1,700 people of

which Cray is the largest and only quoted part.

Net assets of Capital for Industry are in Grindlays' books at December 1978 at around £5m and at the suspension price, the stake in Cray is worth around £2.4m.

According to the market, the suspension and the announcement of talks came out of the blue.

But Mr Douglas Meekins, director of corporate finance at Grindlays and a director of Capital for Industry, said: "It did not quite come out of the blue, but we didn't have any trading links with the company with whom we are now in discussion. It is not a contest. I cannot say whether we have agreed a figure yet, and I can-

not say who they are, except that they are United Kingdom based."

The two have already seen the Takeover Panel Report and the 34 of the Takeover Code which states that anyone who buys a 30 per cent stake in a company automatically has to make an offer for the rest of the share capital.

The bid announcement accompanied Cray's results for the six months to last October where profits eased back £30,000 to £224,000 on sales slightly ahead from £5.1m to £5.8m. The results reflect the impact of the engineering dispute.

The group is paying an unchanged gross interim of 0.8142p.

Dividends up 40 pc in quarter

Dividend payments in the third quarter of 1979 were 40 per cent higher than those in the preceding quarter, according to the latest appropriation account on industrial and commercial companies from the Central Statistical Office. The increase followed the removal of dividend controls at the beginning of August.

Dividends for the six months to the end of September were,

in consequence, 19 per cent higher than those for the preceding six months. Undistributed income for the period amounted to £8.1bn—a £1.5bn increase on the preceding six months; but some £1.2bn of this reflected stock appreciation. The increase in undistributed income, and a £0.1bn decrease in capital formation and stocks, reduced the deficit of industrial and commercial companies (as

measured by their net acquisition of financial assets) by £0.4bn in the second and third quarter of the year, to £2.1bn. An increase in unpaid VAT and telephone bills helped to finance a £0.5bn reduction in the net borrowing requirement. As already reported, total income of industrial and commercial companies during the second and third quarter of 1979 increased by 22 per cent to £16.1bn.

Pentos increases stake in Elliott

By Our Financial Staff

Pentos, the leisure garden to publishing group, is likely to ask for a place on the board of furniture and joinery concern Elliott Group of Peterborough.

Last night Pentos disclosed that it had lifted its stake to 20 per cent, buying a further 200,000 shares for around £60,000.

Corporate finance director Mr William Sanders said: "A place on the board would always be on the cards now and we should be arranging a meeting later on." But he insisted that Pentos has no intention of making a full bid for the group.

"We have been building up our stake for more than a year. We think the shares are a possibility for trading links," Mr Sanders said.

Elliott would fit in with Pentos' construction offshoot, Austin-Hall. The latest share buying to the key 20 per cent figures now give Pentos the option to make Elliott an associate company.

Warning from Lloyds & Scottish

Lloyds & Scottish the finance house almost 80 per cent owned by the Royal Bank of Scotland and Lloyds Bank, will have the run very hard to stand still in the current year.

Chairman, Mr George Duncan, warns shareholders in the annual report that the trading environment for the largest part of the group's business remains unhelpful. Unless there is a significant reduction in interest rates, margins will remain under pressure with the fixed rate lending book has been adapted to the new conditions, he said.

The balance-sheet shows that cash and liquid assets have been reduced from £17.4m to £8m.

Mercantile House lifts forecast

The board of Mercantile House Holdings is predicting a higher dividend for the year to April next than was indicated at the time of the offer for sale last July. Mercantile is paying an interim dividend of 5.7p and forecasting a final of 11.42p. This would make a total of 17.14p gross for the year, compared with the previous indication of 15.31p gross.

On turnover, 24 per cent greater at £9.4m, pre-tax profits of Mercantile rose by 15.5 per cent to £1.4m in the half-year to October 31 last. The profit does not include any contribution from Woolworth, which was taken over last December. There is no forecast of the strength of the board considers the result will be "satisfactory".

Mercantile House was formerly called M. W. Marshall Investments, the parent company of the international money brokers, M. W. Marshall and the Saturn Group.

Inpac Automation joins Vickers

Vickers has acquired Inpac Automation Holdings, of Southall, Middlesex, which has net assets of £784,000. Inpac is one of Europe's leading end-of-line packaging machinery manufacturers and the acquisition will significantly strengthen Vickers' capability in packaging, bottling and material handling. It will retain its separate identity

and manufacturing base in Southall, but will operate closely with the packaging and bottling interests within the Vickers Engineering Group. Additional service facilities for Inpac in the North of England are expected to be established shortly.

Separate agreement has also been reached with the Receiver of Ibis Kendal Holdings, the receiver of Conway for the purchase of 50 per cent of the share capital of Kingway Sarl (France) and the whole of the share capital of Ibis Europe BV (Holland) and Conway Trailers USA Inc (Elkhart, Indiana). The total price is £501,000 cash.

Interim drop at Caledonian Cinemas

In spite of the turnover of Inverness-based Caledonian Associated Cinemas edging forward by 5 per cent to £3.8m in the six months to September 29, pre-tax profits slumped by almost 44 per cent to £281,000. The board, which last December doubled the interim dividend to 2.85p gross, considers the results "satisfactory, having regard to the present economic conditions".

Henlys may take over Belfast car dealer

Henlys is holding talks with R. E. Hamilton which are expected to lead to the acquisition of the Belfast-based Hamilton group.

Hamilton is a substantial main dealer for Ford vehicles in Northern Ireland. Its pre-tax profit for 1978 was £112,000 and unaudited management figures for 1979 indicate a result of about £200,000. Henlys have started talks with Ford Motor for the continuance of the main dealer and truck specialist dealer franchises held by Hamilton should the acquisition take place.

Borthwick buys chain of retail butchers

Thomas Borthwick & Sons and James Blue Ltd have reached agreement, subject to contract, for Borthwick's to purchase for cash the issued capital of the James Blue Group, comprising James Blue Ltd and Kelday Butchers Ltd. The James Blue Group operate 17 retail butchers shops, mainly in the North-West London area. The operation will be integrated with Matthews Butchers, a subsidiary of Borthwick's.

Business appointments

Mr A C Chipperfield is promoted at Redifon

Mr A. C. Chipperfield has been appointed managing director of Redifon Telecommunications, director since July 1979.

Mr P. A. Brooks is now company secretary of TSB Trust Co.

Mr J. M. Macharg has been elected chairman of the Associated Scottish Life Offices and Mr J. M. Souness has become deputy chairman.

Mr R. G. Ruty has been appointed by Winchester Bowring as assistant director.

Mr R. W. A. Barnard has been made chairman and managing director of Philip Morris, succeeding Mr D. V. Lidjofina as chairman.

Mr P. R. Fyson has been appointed a non-executive director of Gannett Holdings.

Mr Michael J. Gadd becomes purchasing director-designate of

Reed Paper & Board (UK) to succeed Mr Haydn Tanner later this year.

Mr J. Sheppard Poor has been named vice-chairman of Morgan Guaranty Ltd.

Mr Michael Cady Byford has been appointed a director of Corn Exchange.

Mr M. A. Plessey, Mr E. I. Wax, Mr P. Barrie and Mr C. Boaz join the board of Geers Group.

Mr H. Houghton has been elected chairman of Stenhouse Holdings.

Mr R. E. A. Stenhouse, who remains on the board, Mr P. E. A. Stenhouse has been made a director.

Mr Rene Gold has been appointed to the board of Foster Turner and Benson.

Mr Gerald Bonall joins the executive committee of Eastern Group of Vickers as group director, special projects. He

also becomes managing director of Vickers Fluid Power Division in addition to his post as chief executive of the Mitchell Bearings Division.

Mr G. H. J. Robinson has been made chairman of Spring Grove Services to succeed Mr G. C. Rowett, who remains on the board.

Mr John A. Harper is to join the board of Staveley Industries as an executive director.

Mr F. C. Baker, managing director of Robert Cassing, has been elected chairman of the Council of Ironfoundry Associations. Mr Leslie Teeman, managing director of The Clay Cross Company and chairman of the East Midlands Region of the CBI, has been elected deputy chairman.

Mr Michael Burton has been appointed plant director of TI Nicholson Silencers.



Mr Michael Gadd of Reed Paper and Board.

Options

Interest in traded options remained at a premium yesterday as investors prepared for the expiry of the January series on Wednesday. As a result the total number of contracts made was 1,754 compared with Friday's figure of 2,004—which in turn was the highest since May 3 last year. Interest remained in Consolidated Gold Fields, attracting 202 contracts but further interest was expressed in Land Securities, 744 contracts.

Today sees a new series of options for RTZ when the February, May and August 420p contracts are due. Shares in RTZ rose 17p to 409p bolstered by the increase in the copper price.

rose from £241,500 to £298,400 in the half-year to September 30, 1979. Trading loss, £800, against a profit of £13,200. Board hopes to declare an overall profit for full year's trading.

THOMAS YALE In a deal worth £400,000, four executive directors of Thomas Yale and Sons, a civil engineering company of Stourport-on-Severn, have acquired the issued share capital from Claxton and Carlisle, York. The directors who have managed the company for the past seven years have been supported by the Birmingham and London Stock and Commercial Finance Corporation.

Meggitt covers machine tool merchandising as well as engineering and manufacture; the board proposes to introduce a profit-sharing scheme, subject to approval at the annual meeting.

HUME-DAWNEY DAY The Secretary of State for Trade has notified that he has no objection to the change of control involved in Hume Investment Trust becoming controllers of Target Life Assurance (and its subsidiary, Target Annuities), a subsidiary of Dawney Day. Hume's offer for Dawney Day has become unconditional in all respects. By Jan 18, acceptances had been received for shares representing 94 per cent of Dawney's capital.

LOWLAND INVESTMENT Gross Income of Lowland Investment ended December 31, 1979, was £154,359 (£118,022 for the corresponding period of 1978). Earnings per share, 1.19p, against 0.72p—a gain of 65 per cent. Net assets per share at December 31, 1979, were 75.2p (December 31, 1978—70.2p).

LEDA TRUST Gross revenue of Leda Investment Trust for 1979, £238,000 (£282,000). Total gross dividend, 5.4p (4.7p).

WILLIAMS LEA GROUP Board reports that current year is likely to be challenging, with two major installations of plant. Running costs of these additions,

coupled with decline in national economy, mean short-term prospects uncertain.

ARTHUR LEE & SONS A reasonable start has been made to the current year reports by the chairman, Mr F. W. Lee, in his annual report. But Lee's order books were seriously disrupted because of the engineering strike.

SOUTH CROFT Saint Piran now holds 10.44m shares in South Crofts.

LOWLAND DRAPERY Cade's (Holdings) has acquired a further 7,000 shares in Lowland Drapery Holdings and now holds 256,100 shares (12.53 per cent).

ROWAN MERLIN FUND The final distribution on income units for the accounting period January 17, 1979 to January 15, 1980 will be 2.20p net per unit (1.60p last year). The total distribution for the year amounts to 3.40p net per unit compared with 2.60p last year. On the latest subscription day, January 15, 1980, the offered price of income units was 103.7p and the estimated gross yield calculated in accordance with the terms of the deed of trust was 4.07 per cent.

CATALIN Wix International Corp has bought 34,000 shares in Catalin, increasing its holding to 650,950 shares (40.02 per cent).

GESTETNER HOLDINGS Mr J. A. Barnett, director, has disposed of 20,200 "A" ordinary shares at 72p, leaving his holding at 217,553 shares (8.47 per cent).

AMAL POWER ENG On December 7, Prudential Assurance Company Limited Power Engineering Ltd (its interest was less than 5 per cent (previously 5.7 per cent). Scottish Life Assurance and its subsidiary has reduced its interest by 100,000 shares to 636,666 shares (4.64 per cent).

REWEURST AND FARTNER Turnover for year to September 30, 1979 £4,91m (£4,20m). Profit before tax, £128,000 (£215,000). EPS 1.45p (2.31p). Dividend total 1.31p (1.37p) gross.

Brascan is seeking new outlets for cash surplus

Brascan, the Canadian holding company, said yesterday it is examining the possibility of buying stakes in four companies, but that it is unlikely to spend more than C\$150m-C\$200m on increasing its stake in Noranda Mines.

At present Brascan has C\$800m to C\$900m in cash, the proceeds from the nationalisation of the Canadian Power and Light Company. In 1979 Brascan made an abortive bid for F. W. Woolworth.

It then bought nearly 11 per cent of Noranda Mining, a Canadian base metal producer. Noranda took defensive action, issuing new shares to Zinor, a private holding company, indirectly controlled by Noranda.

Zinor now has 23 per cent of Noranda, including the holdings in Noranda of companies controlled by Noranda. A request from Brascan that Zinor be dismantled has been rejected. Brascan says that one of the companies in which it is interested is a financial service company and the others are in retail and consumer products areas. An announcement may be made within a month.

Monti rescue plan

The Monti Oil Group, one of Italy's independent private oil companies, plans to cede part of its commercial network to ENI, the state oil group, according to a Monti spokesman. A deal is close to being finalised under which ENI will take over the depot at the Monti group's Mach refinery at Volpiano, 2,100 petrol stations owned by Mach and a further 1,000 privately-owned outlets supplied by Mach. The deal is part of a plan to rescue Monti from financial problems caused by heavy debts, estimated at about 450bn

lire. Monti is now negotiating supply deals with Saudi Arabia, the United Arab Emirates and Nigeria.

Seidman into Europe

Seidman and Seidman, a United States-based accounting firm, says it will operate outside America under a new name, Binder Dijkster Ote and Co.

An international network of accounting firms that Seidman and Seidman helped form in

International

1963 has operated under "a variety of names" in different parts of the world, said Mr B. Z. Lee, Seidman's managing partner. He said that it was difficult at times to explain to clients the reasons for this "complex nomenclature".

Mr Lee, who has served as chairman of the international group for the past five years, said he is stepping down and will be succeeded by Herr Hans-Heinrich Otte, managing partner of the West German member firm.

Occidental's hope

Occidental Petroleum Corporation of Los Angeles says it has "every confidence" its ammonia transactions with Russia will continue, "in spite of President Carter's decision to set an import limit quota." The company noted that the quota is subject to a new hearing by the United States Trade Commission, and it has every confidence that, after the hearing, it will again be clear the transaction continues very much in the national interest.

The Wolverhampton & Dudley Breweries, Limited

TURNOVER UP 15.3% PROFIT BEFORE TAX UP 16.7%

- * 1979 was a most satisfactory year with increased profit and substantially reduced bank borrowing. We recommend a final ordinary dividend of 6.00p per share, making a total of 8.50p (1978—6.56p).
- * We have continued our capital expenditure to improve production efficiency and expand our licensed estate.
- * The quality of our products has been well maintained... Hanson's Mild Ale being voted the best mild in Great Britain.
- * 1980 will be a testing year, but our ability to supply a good glass of beer at a competitive price leads me to expect that we will continue to make satisfactory progress.

E. J. Thompson, Chairman

Year	Sales	Profit
1974	£28.5m	£4.1m
1975	£34.9m	£5.1m
1976	£41.8m	£5.7m
1		

FINANCIAL NEWS AND MARKET REPORTS

Uranium profits soar at Mary Kathleen

Pretax profits at Mary Kathleen Uranium, the Australian producer indirectly controlled by Rio Tinto-Zinc, soared last year from \$570,000 to \$1,373,000 (13.52m). Furthermore, accumulated tax losses meant that no tax was payable, though the company warns that it will become liable to taxation this year.

No dividends are being paid but production was up from 608 tonnes of U308 in 1978 to 832 tonnes. Output in the fourth quarter was 233.7 tonnes.

Another Australian company, Western Mining, announced that it will not extend its bid for BH South because CTB nominees, holders of 15.3 per cent of BH South, have rejected the offer. Acceptances came to 58.3 per cent by January 18. Some of BH South's assets will be sold to Conzinc Rio Tinto of Australia.

The great Australian diamond rush also received another fillip yesterday with the news that Pennzill Australia, a United States company, is expected to start prospecting seriously for stones at Rutherford, some 300 kilometres north of Melbourne.

The other big rush of the moment, gold, has encouraged the Philippines to raise gold production. Output is expected to rise from 17,450 kilograms last year to 20,152 this year.

The extra gold will come from new mines, higher output from existing ones, and more production as a by-product from copper.

Platinum is another precious metal which has benefited from the boom. But Sir Albert Robinson, chairman of Rustenburg Platinum, warns in his annual review, that the free market price has been driven to levels unjustified by normal market considerations. He says that sales in the first half of 1980 will be lower than in the same period last year because of falling demand for cars in the United States.

The South African gold and investment group, Gold Fields Property, part of Gold Fields of South Africa, made pretax profits in the six months to September 30, of R1,33m (£740,000) compared with R1,33m for the whole of the previous financial year.

Amalgamated Tin Mines of Nigeria is proposing to return £1.17m in surplus funds to shareholders by way of a capital payment of 9p a share and two interim dividends of 3p net each. The capital arises from the enforced sale of assets in Nigeria.

Sotheby's capital spending rises to £5.1m

Capital spending of fine art auctioneers Sotheby Parke Bernet rose last year from £1.69 million to £5.1 million. The major part of the programme went on the Aedon Hall, opposite the group's London premises in Bond Street. Sotheby Parke Bernet Adams and the new property at 1334 York Avenue at 72nd Street in New York.

In August the group bought a 30-year lease on the New York property and intends to buy the freehold for \$8,000,000 this year, under special finance agreements with the group's bankers.

Auction sales for the first four months of the current year are 31 per cent ahead at £94.34 million, with the most significant advance coming from the United States and Canada.

AVON RUBBER, chairman, told the annual meeting that order books in most group companies are healthy, although margins are under continuing pressure. Board believes improvement in year's profits is still possible.

Wall Street

New York, Jan. 21.—Stock prices retreated a bit in late trading but still managed to hold most of a strong early advance. Advancing issues were ahead of decliners by 748 to 504.

The Dow Jones industrial average closed at 872.78, up 5.63. It had been more than eight points higher during the afternoon. Volume rose to 48,040,000 shares from Friday's New York Stock Exchange total of 47,130,000. The oil and oil service stocks led a strong market advance as institutional investors continued buying.

Experts said institutions are taking a more favourable view of the stock market which is outperforming the bond market for total return, despite high interest rates.

Silver restrictions

New York, Jan. 21.—SILVER futures trading on the commodity exchange began after nearly a four-hour delay. The market was closed for most of the day because of a technical problem. New contracts came to 1,300,000, up 100,000 from the previous day's total of 1,200,000. The market was closed for most of the day because of a technical problem.

COPPER closed near highs, Jan. 21, 1980, 1.30-1.31, up 0.01. The market was closed for most of the day because of a technical problem.

WORLD SUGAR (cane) closed near highs, Jan. 21, 1980, 1.30-1.31, up 0.01. The market was closed for most of the day because of a technical problem.

COCOA closed near highs, Jan. 21, 1980, 1.30-1.31, up 0.01. The market was closed for most of the day because of a technical problem.

CHICAGO SOYBEANS closed near highs, Jan. 21, 1980, 1.30-1.31, up 0.01. The market was closed for most of the day because of a technical problem.

CHICAGO WHEAT closed near highs, Jan. 21, 1980, 1.30-1.31, up 0.01. The market was closed for most of the day because of a technical problem.

CHICAGO CORN closed near highs, Jan. 21, 1980, 1.30-1.31, up 0.01. The market was closed for most of the day because of a technical problem.

CHICAGO OATS closed near highs, Jan. 21, 1980, 1.30-1.31, up 0.01. The market was closed for most of the day because of a technical problem.

CHICAGO RYE closed near highs, Jan. 21, 1980, 1.30-1.31, up 0.01. The market was closed for most of the day because of a technical problem.

CHICAGO BARLEY closed near highs, Jan. 21, 1980, 1.30-1.31, up 0.01. The market was closed for most of the day because of a technical problem.

CHICAGO SORGHUM closed near highs, Jan. 21, 1980, 1.30-1.31, up 0.01. The market was closed for most of the day because of a technical problem.

CHICAGO MILK closed near highs, Jan. 21, 1980, 1.30-1.31, up 0.01. The market was closed for most of the day because of a technical problem.

CHICAGO BUTTER closed near highs, Jan. 21, 1980, 1.30-1.31, up 0.01. The market was closed for most of the day because of a technical problem.

CHICAGO CHEESE closed near highs, Jan. 21, 1980, 1.30-1.31, up 0.01. The market was closed for most of the day because of a technical problem.

CHICAGO EGGS closed near highs, Jan. 21, 1980, 1.30-1.31, up 0.01. The market was closed for most of the day because of a technical problem.

CHICAGO LARD closed near highs, Jan. 21, 1980, 1.30-1.31, up 0.01. The market was closed for most of the day because of a technical problem.

CHICAGO SUGAR closed near highs, Jan. 21, 1980, 1.30-1.31, up 0.01. The market was closed for most of the day because of a technical problem.

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CHICAGO HOGS

BELL'S
SCOTCH WHISKY
BELL'S

Stock Exchange Prices

Oils buoyant

ACCOUNT-DAYS: Dealings Began, Feb 11. Dealings End, Feb 22. Contango Day, Feb 23. Settlement Day, March 3
 § Forward bargains are permitted on two previous days

BELL'S
SCOTCH WHISKY
BELL'S

1979-80				1979-80				1979-80				1979-80				1979-80			
High	Low	Stock	Price	High	Low	Stock	Price	High	Low	Stock	Price	High	Low	Stock	Price	High	Low	Stock	Price
BRITISH FUNDS																			
100	99	British Fund	100	100	99	British Fund	100	100	99	British Fund	100	100	99	British Fund	100	100	99	British Fund	100
100	99	British Fund	100	100	99	British Fund	100	100	99	British Fund	100	100	99	British Fund	100	100	99	British Fund	100
COMMONWEALTH AND FOREIGN																			
100	99	Commonwealth	100	100	99	Commonwealth	100	100	99	Commonwealth	100	100	99	Commonwealth	100	100	99	Commonwealth	100
100	99	Commonwealth	100	100	99	Commonwealth	100	100	99	Commonwealth	100	100	99	Commonwealth	100	100	99	Commonwealth	100
LOCAL AUTHORITIES																			
100	99	Local Authorities	100	100	99	Local Authorities	100	100	99	Local Authorities	100	100	99	Local Authorities	100	100	99	Local Authorities	100
100	99	Local Authorities	100	100	99	Local Authorities	100	100	99	Local Authorities	100	100	99	Local Authorities	100	100	99	Local Authorities	100
FOREIGN STOCKS																			
100	99	Foreign Stocks	100	100	99	Foreign Stocks	100	100	99	Foreign Stocks	100	100	99	Foreign Stocks	100	100	99	Foreign Stocks	100
100	99	Foreign Stocks	100	100	99	Foreign Stocks	100	100	99	Foreign Stocks	100	100	99	Foreign Stocks	100	100	99	Foreign Stocks	100
DOLLAR STOCKS																			
100	99	Dollar Stocks	100	100	99	Dollar Stocks	100	100	99	Dollar Stocks	100	100	99	Dollar Stocks	100	100	99	Dollar Stocks	100
100	99	Dollar Stocks	100	100	99	Dollar Stocks	100	100	99	Dollar Stocks	100	100	99	Dollar Stocks	100	100	99	Dollar Stocks	100
BANKS AND DISCOUNTS																			
100	99	Banks and Discounts	100	100	99	Banks and Discounts	100	100	99	Banks and Discounts	100	100	99	Banks and Discounts	100	100	99	Banks and Discounts	100
100	99	Banks and Discounts	100	100	99	Banks and Discounts	100	100	99	Banks and Discounts	100	100	99	Banks and Discounts	100	100	99	Banks and Discounts	100
BREWERS AND DISTILLERIES																			
100	99	Brewers and Distilleries	100	100	99	Brewers and Distilleries	100	100	99	Brewers and Distilleries	100	100	99	Brewers and Distilleries	100	100	99	Brewers and Distilleries	100
100	99	Brewers and Distilleries	100	100	99	Brewers and Distilleries	100	100	99	Brewers and Distilleries	100	100	99	Brewers and Distilleries	100	100	99	Brewers and Distilleries	100
SHIPPING																			
100	99	Shipping	100	100	99	Shipping	100	100	99	Shipping	100	100	99	Shipping	100	100	99	Shipping	100
100	99	Shipping	100	100	99	Shipping	100	100	99	Shipping	100	100	99	Shipping	100	100	99	Shipping	100
MINES																			
100	99	Mines	100	100	99	Mines	100	100	99	Mines	100	100	99	Mines	100	100	99	Mines	100
100	99	Mines	100	100	99	Mines	100	100	99	Mines	100	100	99	Mines	100	100	99	Mines	100
FINANCIAL TRUSTS																			
100	99	Financial Trusts	100	100	99	Financial Trusts	100	100	99	Financial Trusts	100	100	99	Financial Trusts	100	100	99	Financial Trusts	100
100	99	Financial Trusts	100	100	99	Financial Trusts	100	100	99	Financial Trusts	100	100	99	Financial Trusts	100	100	99	Financial Trusts	100
INSURANCE																			
100	99	Insurance	100	100	99	Insurance	100	100	99	Insurance	100	100	99	Insurance	100	100	99	Insurance	100
100	99	Insurance	100	100	99	Insurance	100	100	99	Insurance	100	100	99	Insurance	100	100	99	Insurance	100
INVESTMENT TRUSTS																			
100	99	Investment Trusts	100	100	99	Investment Trusts	100	100	99	Investment Trusts	100	100	99	Investment Trusts	100	100	99	Investment Trusts	100
100	99	Investment Trusts	100	100	99	Investment Trusts	100	100	99	Investment Trusts	100	100	99	Investment Trusts	100	100	99	Investment Trusts	100
OIL																			
100	99	Oil	100	100	99	Oil	100	100	99	Oil	100	100	99	Oil	100	100	99	Oil	100
100	99	Oil	100	100	99	Oil	100	100	99	Oil	100	100	99	Oil	100	100	99	Oil	100
PROPERTY																			
100	99	Property	100	100	99	Property	100	100	99	Property	100	100	99	Property	100	100	99	Property	100
100	99	Property	100	100	99	Property	100	100	99	Property	100	100	99	Property	100	100	99	Property	100
RUBBER																			
100	99	Rubber	100	100	99	Rubber	100	100	99	Rubber	100	100	99	Rubber	100	100	99	Rubber	100
100	99	Rubber	100	100	99	Rubber	100	100	99	Rubber	100	100	99	Rubber	100	100	99	Rubber	100
TEA																			
100	99	Tea	100	100	99	Tea	100	100	99	Tea	100	100	99	Tea	100	100	99	Tea	100
100	99	Tea	100	100	99	Tea	100	100	99	Tea	100	100	99	Tea	100	100	99	Tea	100
MISCELLANEOUS																			
100	99	Miscellaneous	100	100	99	Miscellaneous	100	100	99	Miscellaneous	100	100	99	Miscellaneous	100	100	99	Miscellaneous	100
100	99	Miscellaneous	100	100	99	Miscellaneous	100	100	99	Miscellaneous	100	100	99	Miscellaneous	100	100	99	Miscellaneous	100

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